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International Commerce

November 25, 1968

U.S. trading community stresses realism at 55th NFTC

What new leadership means to Portugal's commerce

Sales prospects in Angola, Congo, East Africa, South Africa

International Trade Winds

Company News

CONSTRUCTION MACHINERY—Allis-Chalmers International Division of Allis-Chalmers Manufacturing Co., Milwaukee, has received a $3.2 million contract to supply a fleet of construction machinery to the Brazilian firm of Caixa Economica do Estado de Minas Gerais. Included in the order are 134 motor graders, to be supplied by Allis-Chalmers plant in Dieppe, France, 48 crawler tractors, to be made at the company's Springfield, Ill., plant, and 12 wheel loaders, from the Deerfield, Ill., factory. Delivery is to be completed by the end of this year.

PLANT ENGINEERING—Selas of America (Nederland), N.V., Dutch subsidiary of Selas Corp. of America, Dresher, Pa., has opened an office in Calcutta, India, to supervise the company's operations in that country. Selas is engaged in development, engineering, and construction of plants for the chemical, petrochemical, and petroleum industries. Selas (Nederland) has undertaken numerous projects in India in the past.

BUSINESS EQUIPMENT—Itek Business Products, Rochester, N.Y., a subsidiary of Itek Corp., Lexington, Mass., has established a European marketing organization, with headquarters in Duesseldorf, Germany. The new firm, to be known as Itek Business Products International Corp., plans to establish additional branch offices in other European countries.

DATA PROCESSING—Burroughs Corp. has signed a $22.8 million contract for construction of a new world headquarters building in Detroit, to supervise its manufacture of electronic data processing systems, business systems, machines and supplies. The company has marketing operations in more than 120 countries and major territories of the world. The new headquarters will be located on the same 20-acre site which Burroughs has occupied since 1904, and will consist of three inter-connected, five-story buildings.

Newsletter

Trade visitors from 42 countries, 625 in all, came to the plastics production equipment show at the Milan U.S. Trade Center last month. One exhibitor reported that his firm had made inroads in markets all the way from Italy to South Africa. Principally, this multi-national exposure gave the U.S. companies represented at the Milan show a chance to make important contacts throughout Europe. Campaigns to bring in buyers from many countries are a carefully plotted part of the advance work in connection with U.S. Trade Center exhibitions.

The Second Annual Rikei Electronics Show brought together products from 22 U.S. makers who are represented by Rikei Trading Co., Ltd., of Tokyo. It was held in the Tokyo U.S. Trade Center, where Rikei has been a participant in many Commerce-organized exhibitions. This between-regular-shows effort by a local rep for his U.S. clients brought reported off-floor sales of $130,000 and a 12-month sales projection of more than $600,000.

Yaounde, Douala, Garoua and Victoria are cities of promise for U.S. trade and investment. They are all in the African nation of Cameroon, visited this month by a U.S. Mission of business/government leaders sponsored by Commerce Department. Detailed reports by Mission members, who also visited the Ivory Coast, will be published in an early issue of INTERNATIONAL COMMERCE.

His continued appreciation to Tokyo U.S. Trade Center officials was expressed by T. Kurata of American Trading Company Japan, Ltd., agents for Fort Wayne Tool and Die, Inc. He knows what a between-shows display in a U.S. Trade Center can mean, having held several of them. The latest, in mid-October, drew 150 trade visitors out of 600 invited, and brought predicted six-figure sales results.

While Fort Wayne Tool and Die was showing on the Tokyo center's second floor, another between-shows presentation, by Chemcut Corp. of Pennsylvania, was being held on the first floor. Chemcut's export sales manager Richard Scudder has first-hand evidence of the success of this promotional technique. He met 400 trade visitors (about 1,000 were invited by his Japanese agent), is "extremely pleased" both with off-floor and projected sales.

NOTICE: This information is offered to preview or provide informally brief and varied comment on Bureau of International Commerce worldwide export and investment promotions. It is not final and does not substitute for detailed know-how and analysis in our regular news columns.

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in this issue

The first of two scheduled reports on the National Foreign Trade Convention held this past week in New York leads off this issue, highlighting the first day of the meeting. A comprehensive wrapup on the convention will be published in next week's issue, dated Dec. 2. The Worldwide Business Outlook section this week includes 11 pages of reports on selected African markets—Angola, Congo, East Africa, Ethiopia, Botswana, and South Africa—beginning on page 15, as well as the latest Economic Trends Report on Portugal, starting on page 12.

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National Foreign Trade Convention Report: I 2
Theme of 55th annual meeting yields realistic discussion of businessmen's priorities on inflation, investment, trade barriers

NEEC Makes Export Promotion Recommendations 5
Special meeting of Council votes balance-of-payments, trade policy suggestions to be made to new Administration

Investment Control Rules Modified for 1969 6
Optional method of computing quotas based on 1968 earnings introduced; greater flexibility included in new rules

Balance of Payments Shows Improvement 7
Third quarter report reveals first liquidity balance surplus since 1965; export picture also better

Portugal Economic Outlook Optimistic 12
First governmental change in 40 years seen as prelude to economic progress; foreign confidence follows uncertain period

East Africa Growing Industrial Market 20
Development programs aim to foster economic growth; accord with EEC may affect U.S. position as third largest supplier

MISCELLANEOUS—ADELA expands investment activities in Latin America 9
Reciprocal Mexican two-way trade mission pleases Arizona businessmen 9
TRADE FAIRS AND CENTERS—Frenchman sells Frenchman at Milan Center 10
INTERPACK at Duesseldorf offers opportunity for U.S. packaging equipment 11
WORLDWIDE BUSINESS OUTLOOK—Angola's imports at record high level 15
Congolese monetary reform makes impressive contribution to nation's economy 17
Ethiopian business activity picked up during first half of this year 22
Financial viability is most urgent goal of Botswana development plan 23
South African import expansion to center on industrial capital goods 24
GATT report sees slowdown in world trade growth ending during 1968 26
FOREIGN GOVERNMENT ACTIONS—Indonesian mining policy clarified 27
Canadian Tariff Board considers raising duties on polyethylene resins 28
INVESTMENTS, LICENSING OPPORTUNITIES—European firms seek licensees 29
WORLD TRADE OPPORTUNITIES—Mexico issues construction bid notice 34
NEW BOOKS AND REPORTS—Five new Overseas Business Reports listed 36

TRADE CONVENTION REPORT: I

Realism stirs questions

NFTC theme brings out businessmen's priorities on inflation, investment curbs, trade barriers

This convention report, covering the first day's activity, will be supplemented by another story in the Dec. 2 issue.

By CLARENCE M. ZENS
Managing Editor

NEW YORK—It was the turn of the 55th National Foreign Trade Convention to heed the contemporary imperative to "Tell it like it is."

But in adopting this theme of realism for the 1968 discussions the foreign traders came promptly to the question, "tell *what* like it is." First they set some priorities—and stirred more questions.

► Inflation is the major curb to U.S. export growth. But is the problem here one of rising wages and cost, or of faltering in productivity increases?

► Mandatory controls on investment outflow must go. But at what pace, in balancing the need to sustain a sound dollar?

► Worldwide nontariff barriers must be reduced. But how sincere is the U.S. about this, amid its own pressure for import quotas?

► A better U.S. national export-consciousness must be developed. But should this be grounded in dollar incentives, including tax preferences?

► The United States, as the free world's No. 1 trading nation, must not shirk the leader's role. But isn't it time for other nations to pay a fairer share of defense costs and aid to developing nations?

Wants controls ended

Robert S. Oelman, Board Chairman of the National Cash Register Company, keynote speaker for the convention, called for an end to mandatory government controls on foreign direct investment, urging the new Administration to remove "This jerry-built program which has outlived its usefulness."

Oelman said the controls initially demonstrated to the world that, "Our government and business community were willing to act decisively and quickly to protect the dollar," but he added that a point has now been reached in which investment restraints will begin to hamper U.S. companies in competitive success in world markets.

"Accepting the investment controls as a necessary crash program was one thing. But now we find growing credence being given to the theory that if we continue to curb such investments, American companies will export more. In the real world things just do not happen that way."

Oelman proposed a partnership by business with the new Administration to remove the controls, bearing in mind that the business community "must be prepared to accept important responsibilities" during a transitional period preceding the elimination of all controls.

During this transitional period, American companies which have borrowed heavily abroad to finance their overseas expansion "must be prepared to offer assurances against American massive refinancing at home of this obligation."

Oelman also cautioned that the time has come for American trade partners abroad to demonstrate more restraint and reciprocity in the trade outlook. "The progressive lowering of tariffs has benefited all nations, but it has benefited some nations more than it has the United States."

While reductions here have opened most U.S. markets wide to the rest of the world, tariff cuts elsewhere too often have demonstrated the effect of a host of mandatory tariff trade barriers.

"The United States market, gigantic as it is, does not have endless depth," the NCR Chairman said. "And although we are the world's wealthiest nation, there are practical limits to the deficits we can sustain. We have entered an era which cries out for a little more restraint, and considerably more reciprocity, on the part of other nations. Without this restraint and without this reciprocity, the wave of protectionism which is now evident in this country seems likely to rise even higher".

The NCR Chairman also cited several other steps which he said could take the economy toward a new period of trade

Latin perspective on U.S. aid

Galo Plaza of the Organization of American States placed U.S. programs in Latin America in a different perspective for NFTC convention-goers:

"A semantic cloud hangs over United States aid programs and makes it difficult to see them as they really are. Most U.S. aid under the Alliance for Progress is not a gift, as is commonly believed. By far, the largest proportion of external financing received by Latin America is in the form of loans that are being repaid. In the past seven years, they have earned the U.S. $734 million in interest. Total amortization and interest payments have amounted to about $2.9 billion. In other words, the cooperative development effort of the Alliance nations benefits the lender as well as the borrower.

"As a matter of fact, it is not at all unreasonable to turn the picture around, and think about the benefits accruing to the United States as a result of what we call aid. In the past seven years, the U.S. official sector has disbursed nearly $6 billion in credits to Latin America.

"Nearly all of this is being spent in the United States on United States goods. In this way, they help create jobs for U.S. workers. They generate earnings for U.S. manufacturing enterprises and their stockholders, and taxable income for the U.S. Government. They give the U.S. a surplus in its balance of payments with Latin America.

"A large segment of American industry benefits from Export-Import Bank and AID credits for financing overseas exports. Whether the sale is of an entire steel mill to Brazil, or a small printing press to Guatemala, United States suppliers are important beneficiaries."

growth and at the same time maintain a healthy balance of payments picture:

► Adoption of sound fiscal and monetary policies to curb inflation.

► A rededication to the American tradition of emphasising high production.

► Greater export consciousness in government and private sectors.

► Hard bargaining on the part of the new Administration for the removal of nontariff tariff barriers to U.S. exports.

► Prompt and adequate implementation of the Special Drawing Rights program of the International Monetary Fund.

► A fairer sharing by other nations of the burdens of defense and foreign aid.

Counter-suggestion

Alfred Hayes, President of the Federal Reserve Bank of New York, countered the suggestion about removal of mandatory investment controls.

"As for the complex of voluntary and mandatory restraints on the export of American capital, there is, I fear, no easy answer. These were always intended as stop-gap measures, a sort of holding action while more fundamental improvements were given time to operate. It follows, however, from the inflationary distortions in the domestic economy and their dire consequences for our trade balance, that the time for getting rid of this apparatus has been further delayed.

"Repugnant as these restraints may be to our basic belief in the maximum freedom for international trade and investment, they are vastly preferable to the chaotic state to which the world payments system would be reduced if confidence in the dollar were to be lost. They are also vastly preferable to any reversion to protectionism, which could easily degenerate into a mutual international competition in retaliatory measures.

"To those who point out that restraints on direct investment may be seriously counterproductive in the long run, I would answer that American enterprises abroad have so far fortunately not felt a very heavy restraint upon their activities. Gross foreign investment of such enterprises has reached a new high this year, thanks mainly to the development of the Eurobond market; and after all it is their gross investment, not the flow of investment funds from the United States, that will have the greatest influence on future profits and their competitive position abroad. In sum I hope American business, finance and government will not press for dismantling these restraints with undue haste," Hayes said.

Canada's financial minister, E. J. Benson, emphasized realism for Canadians, and said this means an acknowledgment of his country's strong U.S. ties.

FINALIZING PLANS for National Foreign Trade Convention are (left to right) National Foreign Trade Council president Robert M. Norris; Irving Brown, executive director of the African-American Labor Center (AFL-CIO); Vernon O'Rourke head of Labor Relations and Manpower, Standard Oil (N.J.).

He said, "Unless we have active and vigorous leadership by the United States, unless we have a continuation of the leadership we have had in the United States since the middle 1930's, we will slide backward into a world of economic nationalism.

"I must observe that increased protectionism in the United States would eventually result in similar reaction elsewhere because of the large role of the United States in the world economy. I would be less than honest if I did not say that many of your good friends are worried at the perceptibly increased volume and vigor of recent protectionist views that are being put forward in the United States.

"We must continue to move in the direction of freeing trade, and this we cannot do unless the United States is sure and certain in its leadership and its sense of direction."

Galo Plaza, Secretary General of the Organization of American States, declared that President-elect Nixon's Latin American program "forms the basis for some major—and welcome—innovations in hemisphere relations." He referred to proposals for a commodity price stabilization fund, special debt interest relief, and tariff preferences for Latin exports.

Plaza, who recently returned from a 40,000 mile tour of Latin America, told the convention that "properly applied," the Nixon proposals could greatly strengthen the Latin American development effort. He warned, however, that "an inordinate emphasis on trade instead of aid" could achieve the opposite of what the new Administration seeks to do in Latin America.

Plaza deplored recent reductions in U.S. aid to Latin America. He pointed out that most U.S. assistance programs consisted of loans, not grants, and said this was not aid in the traditional sense.

Greater private role

He urged private business to play a more prominent role in the development effort.

"In the name of competition," he said, "business should work to break down protectionism and restrictive trade barriers. The business community must also be prepared to complement the amounts of official capital flows to Latin America by stepping up investment in the region. Latin America can use more and more—not less and less external capital as its development builds momentum," the OAS Secretary General said.

"Private interests are already heavy investors in world-wide development. The extent of their participation is not generally known: of an over-all total of $11.4 billion disbursed by the 16 member countries of the Development Assistance Com-

INTERNATIONAL PERSONNEL POLICIES were discussed by (left to right) D. F. Howe, international personnel manager, Procter & Gamble; J. D. Ritchie, president, Asiatic Petroleum Corp.; John Holmes, Jr., of General Motors Overseas Corp.; and E. S. Groo, of IBM World Trade Corp.

mittee last year, $4.1 billion was in private bilateral assistance. Of the rest, $6.2 billion represented official bilateral assistance, and $1.05 billion was made available through multilateral lending institutions.

"In the years 1961 through 1966, Latin American exports grew at an annual rate of 6.3%. Then came the disastrous year of 1967, when Latin America's export volume actually declined. Our most recent projections show that at best Latin exports will rise at about 5% a year from now until 1972, hardly sufficient to maintain minimum levels of economic growth.

"Barring a significant change in world demand for Latin America's most important commodities, or a substantial increase in prices over the levels of 1964-65 —both unlikely developments—Latin America may well become a relatively poorer customer rather than a richer one for the exports of the developed world.

"Although private capital is important for the technology and management skills it brings, it is obvious that it will not be able to substitute for the flow of official and international agency financing required over the next several years. While private external capital must be treated fairly in the host countries in order for it to make its contribution, foreign investments likewise must adapt further to the needs and institutional environment of the recipients.

"The capital needs of the hemisphere increase in proportion to the pace of development and reform. Latin America can use more and more—not less and less—external capital. The demands are most insistent in the areas of social and economic infrastructure. The OAS recently installed a new Executive Committee for the Inter-American Cultural Council which will oversee programs for the multilateral development of science, technology and education. These are critical areas to the development of commerce and industry. Similarly, the demand for new transportation nets and communications grids rises yearly as the process of physical and economic integration gathers momentum. Even under conditions of reduced capital flow, these needs must be met," Plaza said.

Multinational concept

E. S. Groo, vice president of IBM World Trade Corp., told the Transnational Personnel Session that "The concept we are pursuing in our business is one of multinationalism" with inputs from all countries as needed to meet requirements for policies and products. "It will be just as important in the future to have Americans who understand the true needs of overseas operations as it is today. The need is to establish a good mix, not to swing the pendulum from one side to the other.

"That summarizes briefly our approach to selecting managers for our international operations. It certainly doesn't work as smoothly as I perhaps have indicated, nor have we overcome all national bias or barriers to communication.

"There are still key jobs that will always be filled with Americans because responsibilities require it. And for most any international spot, it is still easier to pick an American. In many cases, it's still the only answer because other candidates have not yet emerged.

"Nonetheless, by actual count, more and more of the international responsibilities today have been filled by men who started their IBM careers outside the United States. Our new director of budgets and planning at New York was until recently financial director of IBM Italy. Our new area manager for South-West Europe is a Frenchman who served in New York in a staff capacity. Our new regional manager in India is an Australian.

"So by deliberate attempts to identify candidates and develop them regardless of nationality, we do think we are moving more and more toward a truly international management for our overseas operations."

Help end dependence

The Director of Personnel for General Motors Overseas Operations, John Holmes, Jr., explained that GM's educational and on-the-job training programs help to speed the end of dependence on transnationals. "These include courses within the overseas plants as well as short term assignments of overseas personnel to the United States for consultation and training in the latest methods. They also include similar assignments of U.S. personnel overseas to train and assist in the application of approved procedures.

"Our training efforts involve extensive use of General Motors Institute, a college level co-operative engineering school in Flint, Michigan. Currently there are 172 foreign nationals from 19 overseas subsidiaries enrolled at GMI in programs offering alternate periods of classroom instruction at the Institute and related work experience in U.S. plants.

"Since the Overseas Scholarship Program began in 1945 with an enrollment of four students, 586 men from 21 overseas plants have been graduated. Graduates have attained important positions of responsibility in the overseas organization, including Managing Director of a European facility and Works Manager of a multi-plant operation in South America.

"In addition to these long term programs, there are shorter, more intensive job-related courses given throughout the year at GMI for both U.S. personnel and overseas employes with a working knowledge of English. When the latter attend such courses, we usually schedule visits to a number of U.S. plants for training purposes as well," Holmes said.

NEEC to make recommendations on balance-of-payments, trade policies for new Administration

Council members also receptive to modifications in Foreign Direct Investment Program announced by Commerce Department

Members of the National Export Expansion Council (NEEC), a business advisory group to the Secretary of Commerce, voted at a special plenary meeting in Washington, D.C. in mid-November to prepare recommendations to the new Administration on ways to further increase U.S. exports.

NEEC Chairman Carl A. Gerstacker, who is also chairman of the board of The Dow Chemical Co., Midland, Mich., explained the purpose of the proposals: "With a new Administration about to take charge, the Council decided that now is the time to state the broad trade and balance-of-payments considerations that should govern the formulation of future domestic and foreign economic policies."

The Council's suggestions and recommendations will be published next month. NEEC action committees reported and made recommendations on export financing, taxation in relation to exports, transportation and ocean freight rates, trade and investment in developing countries, and export promotion.

Secretary of Commerce C. R. Smith, addressing the group, stressed the necessity for deciding on a basic broad foreign trade policy before considering departures from it. He advocated that in dealing with developed nations, the United States should demand equality in trade opportunities. In dealing with developing countries, he advised the extension of trade opportunities rather than foreign aid. He recommended that international conferences about foreign trade be held, similar to those scheduled by NATO.

The Council also heard Assistant Secretary of Commerce Lawrence C. McQuade outline modifications of the Foreign Direct Investment Program for 1969, which include: an optional method of computing investment quotas based on earnings, an increase in the basic exemption from $200,000 to $300,000, and greater flexibility in shifting funds from one foreign area to another.

The NEEC also favored establishment of special committees organized along industry lines.

A certificate of appreciation was presented to Robert C. Weems, Jr., chairman of the Nevada Regional Export Expansion Council (REEC) since its inception eight years ago. New members welcomed to the NEEC were H. O. Jones, chairman of the Central and North Florida REEC; Manuel T. Hidalgo, chairman of the Puerto Rico-Virgin Islands REEC; former Secretary of Commerce Alexander B. Trowbridge, now president of the American Management Assn.; and Mark C. Feer of Kuhn, Loeb & Co. of New York, former Deputy Assistant Secretary of Commerce for Financial Policy. A new member appointed but not attending was Willis W. Alexander, Jr., president of the American Bankers Assn.

William M. Roth, the President's Special Representative for Trade Negotiations, reviewed trade policy for the council. Honorary Chairman Luther H. Hodges, former Secretary of Commerce, urged the setting of higher goals in trade policy.

NEW NEEC MEMBER Alexander B. Trowbridge (l.), pres. of American Management Assn. and former Sec'y of Commerce, talks with William A. Muriale, vice pres., international, Bank of America and chairman of San Francisco REEC, at meeting held to prepare trade recommendations for new Administration.

World Bank helps finance Turkish power project

The World Bank, through a loan of $25 million, is sharing in the financing of the Keban hydroelectric project in Turkey. The Bank loan is for the construction of about 910 miles of 380-kv transmission lines and associated substations to transmit electricity from the power house in the mountains of eastern Turkey to Ankara and Istanbul. All imports financed by World Bank funds must be procured through international competitive bidding.

The Turkish Government will relend the proceeds of the loan on the same terms it receives to Etibank, a state economic enterprise that has recently taken over operation and control of the bulk of state-owned electric power assets and governmental power planning activities, pending the creation of a Turkish Electricity Authority, which would consolidate the Government's interests in the power industry.

Investment control rules for 1969 add optional '68 earnings quota to previous outflow formula

Other Commerce Department program changes: $300,000 exemption, liberalized treatment in special investment projects

The U.S. Department of Commerce will modify the Foreign Direct Investment Program in 1969 by introducing an optional method of computing investment quotas based on earnings, changing from $200,000 to $300,000 the minimum investment quota, and granting greater flexibility in shifting funds from one foreign area to another.

About two-thirds of the 3,300 companies now reporting to the Office of Foreign Direct Investments (OFDI) will receive some benefit from these changes, Under Secretary of Commerce Joseph W. Bartlett said in announcing the changes.

The total authorized direct investment will be increased to $2.9 billion from approximately $2.65 billion in 1968. This increase is expected to be offset by growth in repatriated earnings, Bartlett said.

Under the optional method of computing investment quotas in 1969, a company may elect an investment quota for each geographical schedule equal to 20% of the 1968 earnings of its foreign affiliates in that scheduled area in preference to the quota it would have under the base period formula.

"The introduction of two earnings quotas—the optional earnings method and the recently announced incremental earnings concept—represents a significant departure from the base period formula. Although the base period method of calculating investment quotas served a useful purpose in structuring the regulations in 1968, it is not sufficiently responsive to the long-term balance of payments objectives of the United States to merit its retention as the sole basis for computing investment quotas," Bartlett said.

The two new earnings quotas, while not replacing the base period formula, establish what Bartlett called a more logical concept—that investment quotas should ultimately bear a close relationship to current and future earnings from foreign investment rather than being rigidly tied to the level of direct investment during selected base years. "Moreover, they provide for automatic growth in investment quotas, enabling corporate officials to plan with more certainty."

The introduction of the earnings investment quota is designed to alleviate a measure of the hardship which the regulations imposed on some of the direct investors who cooperated with the Department's Voluntary Program during the base period years. It directly benefits those corporations which contribute most to the balance of payments in the form of repatriated earnings.

It also creates an expanding source from which to meet repayment schedules with respect to foreign borrowings. The earnings formula also enables OFDI to develop a program which is more easily adaptable to a change in the balance of payments situation. Thus, for example, the 20% earnings quota could readily be increased, as balance of payments circumstances permit.

Benefits small investors

The change to a $300,000 minimum investment quota is aimed to benefit many small direct investors. The figure was $100,000 in the original regulations promulgated last January, and was increased to $200,000 in August.

A third change will permit companies with an uneven geographical distribution of their quotas to transfer unneeded quotas to any one of the three scheduled geographical areas if their quota is less than 20% of the 1968 earnings of their foreign affiliates in that scheduled area. This change also applies to firms electing not to replace the base period earning formula to determine their quotas.

One effect of the 1969 program will be to increase further general investment quotas available for use in less developed countries. Bartlett added that in keeping with the Administration's desire to encourage increased private investment in less developed countries, special consideration will be given to applications from companies which are considering developmental projects in less developed countries but which have insufficient investment quotas and cannot arrange foreign financing in compliance with the regulations.

OFDI will continue to grant relief to those companies whose investment quotas are insufficient to support intercompany growth in exports, and will give attention to industries with unique problems.

The Office also will continue to give special consideration to applications for specific authorization from companies whose investment quotas and foreign borrowing capacity are not adequate to fulfill binding commitments undertaken prior to Jan. 1, 1968.

While some success has been achieved in reducing the U.S. balance of payments deficit thus far in 1968, much of the improvement was of a temporary nature.

"We still do not have sufficient evidence of a movement toward basic equilibrium in our balance of payments to justify termination or any significant easing of the OFDI Program in 1969," Bartlett said.

Asked about OFDI's announcement of plans for 1969—at a time when a change of Administration is imminent—Bartlett said that the announcement was made to assist U.S. companies already deeply involved in 1969 planning.

The OFDI Program, according to Commerce Department estimates, has not retarded the growth in overseas investment projected by U.S. companies for 1968. However, a greater proportion of such investment is expected to be financed from foreign borrowing.

A substantial level of foreign debt has been contracted to finance foreign investment in the last four years. Much of this might be repaid from U.S. sources rather than from foreign earnings if the capital restraints were eliminated. In addition, the elimination of capital controls in 1969 could result in a substantial increase (perhaps as much as $2 billion) in capital outflows to finance the expanded level of foreign investment anticipated next year.

In another OFDI action, amendments have been proposed to ensure that firms engaged in the oil and other extractive industries be treated more uniformly under the Foreign Direct Investment Regulations regarding the treatment of exploration and development costs.

The proposed amendments aim to eliminate the unfair advantages gained by companies which disburse all or a large portion of their costs by limiting the growth of authorized exploration and development expenditures.

OFDI will accept comments on the proposed amendments until Dec. 14.

Third quarter liquidity balance in surplus for first time since '65; trade balance also better

Non-military exports outgrew imports for first time in more than a year; dock strike threat may have speeded up shipments

Preliminary figures on the U.S. balance of payments in the third quarter show a seasonally-adjusted surplus of $35 million measured on the liquidity basis. Although small, the surplus was the first since the April-June quarter of 1965, according to the Commerce Department's Office of Business Economics.

The balance measured on the official reserve transactions basis was in surplus by $440 million—about $1 billion less than the surplus in the previous quarter.

Both balances reflect changes in official U.S. reserves. The liquidity balance also takes into consideration the changes in liquid liabilities to all foreigners, while the official reserve transactions balance takes into consideration liquid as well as other liabilities, but only to foreign official agencies.

Official reserve assets

During the third quarter, official reserve assets of the United States increased by $571 million. This increase was composed of a $74 million rise in gold holdings, a $23 million increase in the U.S. gold tranche position in the International Monetary Fund, and a $474 million expansion in holdings of convertible foreign currencies. The latest rise in reserve assets, when combined with the $137 million rise in the second quarter, recovered about $700 million of the $900 million loss of reserve assets in the first quarter of this year.

However, the composition of reserve assets has shifted substantially since the first of the year. Convertible currency holdings have increased by about $600 million, while gold holdings and the U.S. gold tranche position in the IMF combined have declined approximately $800 million.

The balance on nonmilitary merchandise trade improved in the third quarter by nearly $300 million, after seasonal adjustment.

Exports of nonmilitary merchandise increased more than imports for the first time since the second quarter of 1967. This resulted in an export surplus of $270 million in the third quarter following an import surplus of $20 million in the preceding quarter. These figures differ somewhat from those published by the Bureau of the Census. The latter are adjusted in the balance of payments compilations to exclude military exports on cash or credit terms, and to include trade in silver and nonmonetary gold.

Soybeans recover

Nonmilitary merchandise exports rose $545 million in the third quarter to $8,845 million. About 10% of the third quarter increase in exports was in agricultural products, mainly because of a recovery in soybean shipments. Increases in nonagricultural goods were widespread, and included further strong advances in nonelectrical machinery and chemicals, continuing the upward movement that started earlier in the year.

Exports of consumer goods also continued to rise in the third quarter, following a strong advance in the preceding quarter. This two-quarter rise followed a period of over two years when exports of consumer goods failed to change significantly.

Imports of merchandise increased about $250 million in the third quarter to $8,575 million. The third quarter growth of 3% followed a rise of about 6% in the second quarter and increases of nearly 10% each in the first quarter of 1968 and the last quarter of 1967.

Much of the decline in the growth rate in the two recent quarters can be attributed to decreased imports of copper and other nonferrous metals and to a slowing in the expansion of steel imports. Copper imports had been exceptionally high because of the domestic copper strike and steel imports have expanded largely because of the threat of a steel strike.

However, the strong rise continued in consumer goods imports, including foreign cars (other than U.S. type cars produced in Canada), foodstuffs and alcoholic beverages. Also, the upward movement in imports of machinery was resumed.

Several special factors have affected merchandise trade this year. Labor disputes in the copper, aluminum, and steel industries, already mentioned, have tended not only to substantially expand imports but also to reduce exports. The dockworkers' strike in Brooklyn late in March delayed until April an estimated $150 million of exports and $50 million of imports. The expectation of another strike by longshoremen along the Eastern and Gulf coasts in October may also have resulted in some speedup in exports and imports possibly in both August and September, but by how much is not known at present.

It is also probable that the initial reductions in tariffs negotiated in the Kennedy Round influenced trade movements to some extent this year. On Jan. 1, the United States and several other countries including Canada, Australia, and South Africa lowered tariffs by an initial 20% of the total reductions negotiated in the Kennedy Round. On July 1, the EEC countries, the United Kingdom, Japan, and the remaining participants in the Kennedy Round lowered tariffs by 40% of the total reductions negotiated.

The large rise in U.S. imports in the first quarter, and the rise in exports in the third quarter, particularly to the EEC countries, may in part reflect shipments that had been postponed until the tariff reductions became effective.

Aside from these temporary influences, the continued expansion in business activity in major foreign industrialized countries has, after some delay, also contributed to the recent rise in exports.

Derivation of balances

The $571 million rise in official reserve assets during the third quarter was more than offset by a $1,025 million increase in liquid liabilities to all foreign residents and international organizations. Nearly all of that rise was in liabilities to foreign banks—primarily the foreign branches of U.S. banks. Liquid liabilities to foreign official agencies declined by the relatively small amount of $38 million. Total dollar liabilities to foreign official agencies increased $483 million; however, these agencies invested $521 million in long-term private and U.S. Government obligations, some of which are payable prior to maturity only under special conditions.

The balance measured on the liquidity basis—obtained by combining the $571 million rise in official reserve assets and the $1,025 million increase in liquid lia-

Results are impressive, but....

In his statement on the third quarter balance of payments, Treasury Secretary Henry H. Fowler said:

"For three successive quarters, the deficit of the United States has moved toward equilibrium with the impetus provided by President Johnson's Action Program for the Balance of Payments announced New Year's Day. The huge deficit of $1,742 million (liquidity basis) in the fourth quarter of 1967 was reduced to $680 million in the first quarter of 1968 as the program got underway, moved downward to $160 million in the second quarter and now for the third quarter has changed to a surplus.

"The results are no less impressive in the official settlements measure. In the fourth quarter of 1967, the deficit on this basis reached the very high level of $1,082 million. However, this deficit declined to $552 million in the first quarter of 1968 and changed to surpluses of $1,523 million and $439 million, respectively, in the second and third quarters.

"This progress, however welcome, is somewhat unbalanced and elements may to some extent be transitory. Therefore, we cannot let up in our efforts to implement all of the balance of payments measures contained in President Johnson's Action Program.

"We have had success in most of the areas covered by this comprehensive program. However, two significant aspects of our international balance of payments, trade and tourism, are not at all satisfactory, despite the improving trade balance in the third quarter. In these areas, as well as the control of government expenditures overseas, we must intensify our efforts.

"Only by pressing through on these longer-term measures will we be able to do what we all want to do—relax and eventually remove restrictions on the free flow of capital without endangering equilibrium."

bilities—was adverse by $454 million. Seasonal adjustment changed this to the small surplus of about $35 million. This compares with an adverse balance of about $160 million (revised) in the second quarter, and $680 million (revised) in the first quarter. For the three quarters of 1968, the seasonally adjusted balance was adverse by about $800 million, as compared with about $1,830 million in the corresponding period of 1967.

The balance measured on the official reserve transactions basis—obtained by adding the $571 million rise in official reserve assets to the $38 million decline in liquid liabilities to foreign official agencies, and deducting the $521 million increase in nonliquid liabilities to foreign official agencies— resulted in a surplus of $88 million, which is increased by seasonal adjustments to about $440 million. In the previous quarter, the surplus was about $1,520 million (revised), and in the first quarter an adverse balance of about $550 million (revised) was recorded. For the first three quarters a surplus of $1,410 million was achieved, as compared with an adverse balance of about $2,320 million in the corresponding period of 1967.

The major changes in international transactions for which data are now available do not explain the net improvement in the liquidity balance. The improvement of roughly $300 million in the trade balance and a small decline in disbursements through Government grant and capital transactions were more than offset by a $400 million adverse change in claims on foreigners reported by U.S. banks and an adverse change of $560 million in securities transactions.

The major improvement—by well over $1 billion—was in transactions for which detailed data are not yet available. Included in this group are services transactions and investment incomes; all corporate capital flows except new issues of securities that are a part of the securities transactions mentioned earlier; and those transactions that usually remain unreported and in the complete balance of payments compilations are included under "Errors and Omissions."

A large part of the more than $1 billion improvement in the transactions that are still unreported probably occurred in transactions by U.S. corporations, either as a result of higher incomes on direct investments or lower net capital outflows for direct investments or other purposes.

Cash receipts related to military sales abroad declined to $155 million from an exceptionally high $282 million in the previous quarter. These figures represent a combination of advance payments and progress payments on military equipment to be delivered later, payments against current deliveries, and payments for deliveries that took place earlier.

Transfers to foreign countries under Government grants and credits programs declined slightly.

Complete balance of payments tables and their analyses will be published in the December *Survey of Current Business*. The *Survey* is available from Field Offices of the Department of Commerce, or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at an annual subscription price of $9, including weekly supplements; single copy, $1.

Dutch traders lose U.S. export rights

Petrus J. Rombouts of Rotterdam, an importer and trader in electrical equipment, and a firm he controls, Rombouts Electrics, N.V., have been denied all U.S. export privileges for at least 18 months for violations of the U.S. regulations.

According to the Commerce Department's Bureau of International Commerce, the order was based on Rombouts' participation in a transaction involving $13,000 worth of strategic electronic equipment exported to Rombouts from the United States in June 1965. On arrival of the equipment in Amsterdam, Rombouts instructed his freight forwarder to forward the goods to Schifter & Co., Vienna, Austria, a firm that was subject to an order denying U.S. export privileges.

Rombouts had previously had dealings with the Schifter company. The Bureau found that Rombouts made false statements in that he denied knowledge of Schifter & Co., and had denied giving the instructions to the freight forwarder.

Under the terms of the order, the respondents and their agents and employees for a period of five years are barred from participating in transactions involving commodities or technical data exported or to be exported from the United States. After 18 months, however, they may apply to have their export privileges restored while they remain on probation.

U.S. export regulations provide that without authorization from the Department of Commerce no party may trade in commodities or technical data exported or to be exported from the United States with a party he knows has been denied U.S. export privileges.

ADELA continues to expand investment activities in Latin American development

Annual report of entrepreneurial combine cites progress in forestry, rayon, tourism projects; investment banking service established

Operating on the thesis that a trend toward economic integration and larger markets in Latin America is both irreversible and necessary, ADELA Investment Co. increased its annual commitments 37% over the previous year, according to its recently-released report for the fiscal year ending June 30. During the 3½ years of its existence, the entrepreneurial development combine, which is based in Luxembourg, has provided seed capital to private enterprise in 17 Latin American countries, resulting in $800 million worth of new investment.

ADELA continued to expand its range of activities during the past year.

Negotiations to provide integrated technical and financial services to the $77 million Olancho Forestry Project in Honduras were concluded with the prospective technical partners, and a sponsoring group was formed which will subscribe the initial capital. International Paper Co. will lend technical know-how and management to the project.

In Brazil, financing was completed for the $48 million rayon pulp project of Industria de Celulose Borregaard in the State of Rio Grande do Sul. Brazilian entrepreneurs, a group of Norwegian investors including the parent company, Borregaard, and ADELA are prepared to subscribe to the equity capital.

Tourism and hotels

Agreement was reached to initiate a tourism and hotel development program in Latin America jointly with Braniff International Airways, Western International Hotels, and Deltec Panamericana. The program should eventually lead to total investments in hotels and tourist facilities of about $150 million over a period of seven to ten years, of which the first phase, presently in the stage of planning and design, would involve an outlay of about $30 million.

In Venezuela, ADELA merged with Corporacion Venezolana de Fomento (CVF) in a program of identification of industrial opportunities and of the potential strength of the country's enterprises within larger market areas, such as the Andean Subregional Group and the Latin American Free Trade Association. Initial studies have been encouraging.

Negotiations have been concluded with the U.S. Agency for International Development (AID) for a long term extended risk guarantee, which will cover the commercial and political risks for 75% of ADELA's $10 million long-term obligations to be placed with institutional investors in the United States. The remaining 25% will be financed from ADELA's ordinary resources.

Of the total amount of $10 million, $2 million have been earmarked as a project development fund to be used by ADELA for identification of investment opportunities for private enterprise and project development. The resulting efforts will be undertaken jointly by Latin American and U.S. firms under the sponsorship of ADELA.

Local institutions best

Another feature of ADELA's operations was the establishment of a financing and investment banking service in November 1967. The need for this type of service in Latin America is almost unlimited, according to the report, and ADELA's management believes that it can most effectively be met by institutions which are established within the Latin area.

Of ADELA's 29 long-term investments in operation, 25 companies are operating profitably or breaking even, and four still operate at a loss. This record has led ADELA's management to feel that a definite trend exists in most of Latin America toward improved operating conditions for private enterprise.

Iceland devalues currency, abolishes import levy

The Icelandic krona was devalued by 35.2%, effective Nov. 12. Under the new rate, one U.S. dollar equals 88 kronur (One krona = $0.0114). The move was taken to improve the country's serious balance-of-payments situation, to stimulate increased production, and to improve the employment situation.

The Government also introduced legislation to abolish the temporary 20% import levy and the foreign exchange surcharge which went into effect in September this year (INTERNATIONAL COMMERCE, Oct. 7). These measures are due to expire on Nov. 30.

Iceland's balance-of-payments situation has deteriorated during the past two years, chiefly because of declining fish exports and a drop in world fish prices. The krona previously was devalued by 24.6% on Nov. 24, 1967, shortly after the United Kingdom's devaluation of the pound.

Mexican mission spurred business, Arizona traders say

Visitors and Phoenix community are both pleased with results

The Phoenix international business community recently was host to a reciprocal mission from Mexico, interested in two-way trade between their country and Arizona.

The Mexican businessmen's visit took place only a few days after a mission organized by Arizona had visited Central America, and only a few months after the State's first mission had visited Mexico and returned with a million dollars' worth of business.

Both the Phoenix business community and the Mexican trade mission reported the Latins' visit of considerable value for the development of two-way trade across the border.

Sponsored by the American Chamber of Commerce of Mexico, the 14-member mission spent Oct. 30-Nov. 1 talking with Phoenix businessmen. The visitors' aim was to boost the flow of manufactured goods, raw materials, and services in both directions. Products represented or sought included marble, tools and drills, colonial furniture, wines and liquors, handicrafts, material handling equipment, radio and television parts, leather goods, electronics, steam baths, and gift and tourist items.

Mission members attended the second annual seminar, "Doing Business With Modern Mexico," sponsored by the Arizona Regional Export Expansion Council in cooperation with the American Chamber of Commerce of Mexico. Ninety people attended the meetings.

The Arizona World Trade Association, Phoenix Chamber of Commerce, and Arizona Development Board cooperated in arranging mission activities.

EUROPEAN DIRECTOR OF SALES for Jas. H. Matthews Co., Georges Quercy (left) shows Matthews marking machines at Milan Trade Center's recent exhibition of plastics production and control equipment. Center's cooperation with PLAST '68 brought in a French buyer Quercy had long sought as a customer.

Milan Trade Center helps Frenchman get important new sale

Cooperation with PLAST '68 show brings customer, seller together

What two years of intensive sales efforts in France could not do was accomplished in one day at the U.S. Trade Center in Milan, Italy.

Georges Quercy, European Director for Jas. H. Matthews Co., Pittsburgh, Pa., had tried for two years to contact an important potential customer near Vienne, France, but numerous sales trips from Quercy's Paris office had failed to sell the French businessman.

Quercy's elusive client traveled from France to Italy to attend the International Rubber and Plastics Exhibition, PLAST '68, in Milan during October and, thanks to the cooperation between PLAST '68 and the Trade Center, was directed to the Plastics Production and Control Equipment show at the adjacent Center.

Not only did Quercy finally make contact with this major user of marketing equipment, but he also immediately sold ten Matthews marking machines to his countryman, and opened the way for additional potential sales of $30,000 over the next twelve months.

Throughout the nine-day Trade Center show, held from Oct. 5-13, Quercy sold $24,400 worth of equipment, and predicted that $100,000 more in sales would result during the next year from sales leads picked up at the show.

Twenty American firms showed their products to over 2,000 qualified buyers and booked orders valued at $287,223. In addition, the 20 companies predicted additional sales of more than $2.8 million in the next twelve months as a result of the Trade Center show. Some 28% of the registered visitors came from 42 countries outside Italy, including many from Latin America, Africa, the Near East and Asia.

Quercy, one of the most active and energetic representatives to have exhibited at the Milan Trade Center, said he is a charter member of the "Suicide Club," composed of salesmen who drive an average of 300 miles over tortuous roads to visit a maximum of four potential clients a day. Of the daily four, he has found that two are usually too busy to see a salesman and the other two, who permit Quercy to drag his heavy samples from his car, are generally technical personnel without authority to place immediate orders.

At the Trade Center, however, Mr. Quercy talked with an average of fifteen serious leads each day and could immediately demonstrate his full range of products to qualified buyers.

Water resource development theme of Spanish exhibition

U.S. manufacturers of equipment and supplies concerned with water resources and development have been asked by Spanish fair authorities to participate in the 1970 Feria del Campo, scheduled for the spring of 1970 in Madrid.

Although basically an agriculture and food fair, the Feria del Campo brings together official exhibits from all provinces of Spain. In 1968, the fair attracted well over 3 million visitors during its month-long run, from May 22-June 23.

The importance of water and the development of water supplies to the Spanish economy is indicated by the fact that in the country's investment budget, water resource development accounts for more than 10% of total Government investment, equal to investment for housing and urban services, more than educational investment, and over ten times the investment in tourism development.

The fair's location in the Spanish capital is considered advantageous in attracting foreign visitors and in obtaining extensive national media coverage. Exhibitor representation usually includes a number of foreign countries.

Write: Commissary General for International Fairs, Avenida Portugal, Madrid 11, Spain.

Diagnostic congress, exhibit set for Karlsruhe, Germany

Plans have been announced for the 1969 edition of the German "Diagnostik Woche" (Diagnostic Week), to be held in Karlsruhe, June 6-10, 1969.

An international diagnostic congress will be accompanied by an international exhibition of medical diagnostic equipment and medicinal preparations for diagnostics.

Sponsor for the congress and exhibition will be the Med.-Kongress Diagnostika, G.m.b.H. & Co., K.G.

A similar congress and exhibition was held in Karlsruhe, May 8-12, 1968, in which more than 90 firms, including 10 U.S. companies or subsidiaries, participated. Dates have already been set for the 1970 edition of the fair, to be held in Karlsruhe again, May 8-12.

The fair management has reported a high level of interest among German physicists and other diagnosticians in advanced equipment and diagnostical preparations from the United States.

Write: Manager, Diagnostik Woche, Med.-Kongress Diagnostika, G.m.b.H. & Co., K.G., 7 Stuttgart-Degerloch, Jahnstrasze 12, Germany.

German packaging fair offers 1969 opportunity for U.S. manufacturers to penetrate European market area

Exhibit at INTERPACK at Duesseldorf next May planned at request of U.S. companies; 1972 display under consideration

U.S. manufacturers of packaging machinery will offer their products to a global gathering of industry specialists next spring when the U.S. Department of Commerce stages a special exhibition at one of the world's biggest packaging shows, INTERPACK '69, in Duesseldorf, Germany, next May 10-16.

The exhibition will be the Commerce Department's first at INTERPACK, a major international trade fair held at Duesseldorf every three years. At the urging of U.S. companies that went to the fair independently in the past, and on the basis of studies conducted by the Department's Bureau of International Commerce, Commerce not only will sponsor a display of U.S. products at the 1969 event, but is considering participation in INTERPACK 1972.

Germany's present business climate makes that country an ideal host for the international fair. The German economy is in the midst of a sharp upswing, with industrial production hitting record peaks.

The packaging industry is doing particularly well. Production of containers for food, the largest single sector of the industry, is undergoing rapid expansion resulting from the spread of supermarkets and other self-service stores that stock large quantities of packaged foods. Self-service grocery stores, seldom encountered in Germany as late as the mid-1950's, now account for more than 65% of the country's food sales.

U.S. sales of packaging machinery to Germany amounted to $2.2 million in 1965 and $2 million in 1966. The U.S. share of the market has been running close to 15%.

Conditions are ripe for an expansion of U.S. sales. German businessmen are presently investing heavily in new equipment designed to achieve greater productivity. U.S. packaging machinery has a significant technological lead over corresponding equipment manufactured in Germany.

Market research indicates that the following types of equipment are among those most suitable for display at INTERPACK '69:

- ► Can-making machines with production rates in excess of 50 per minute.
- ► Automatic box-making machines.
- ► High-speed liquid-filling systems with electronic control for viscous and foaming fluids; aseptic filling and bottling; antiseptic filling of vials and ampuls; dry goods; aseptic bag filling and sealing, and multi-wall bag sealing.
- ► Plastic bag filling and sealing machines, including those with automatic sorting and counting for small items such as candy.

A team of Commerce market promotion experts will begin contacting prospective foreign buyers, importers, representatives and licensees more than three months prior to INTERPACK '69 as part of a hard-hitting campaign to assure maximum attendance at the U.S. pavilion.

Past Commerce Department shows have revealed strong foreign demand for U.S. packaging equipment. Forty-four U.S. exhibitors at a Commerce-sponsored show of packaging equipment in Mexico City in August 1967 racked up more than $3.1 million in confirmed first-year sales. Thirty-two U.S. packaging machinery manufacturers at a Commerce Department exhibition in the U.S. Trade Center at Milan, Italy, in March 1968, had floor sales of $184,000 and predicted first-year follow-up orders of $2,277,000.

Twenty-one U.S. manufacturers of packaging and food-processing equipment in a Commerce show at Tel Aviv, Israel, in June 1968, reported floor sales of more than $3.4 million, and predicted that first-year follow-up orders would top $18 million.

U.S. manufacturers of packaging equipment interested in the Commerce Department exhibition at INTERPACK '69 may obtain further information from the U.S. Department of Commerce (BIC-938), Washington, D.C. 20230 (telephone Area Code 202, 967-4073) or from any of the Department's Field Offices.

International Youth Fair set for West Berlin in May 1969

American manufacturers and distributors of "everything and anything that appeals to the younger set" have been invited to show their products at KICKS '69, the first International Youth Fair, set for May 2-11, 1969, in West Berlin, Germany.

The event is being organized by the Berlin Exhibitions Service and is supported by the German Council of Trade Fairs, as well as by the Berlin Senator for Economic Affairs.

The exhibition is expected to attract both German customers and international buyers for the needs of the worldwide teenage market.

Products suitable for display at the show include American-made younger fashions, lingerie, beauty products, jewelry and other accessories, footwear, party decorations, beverages, cameras and projectors, radios, phonographs, musical instruments, records, tape recorders, bicycles, motorcycles, sportswear, books, and any other products designed to appeal to young people.

A poster competition will be held, with prizes for outstanding advertising materials to be awarded, and a special souvenir shop will show products from around the world.

The deadline for applications to reserve exhibition space is Jan. 31, 1969.

Write: Berlin Fairs Department, Roy Blumenthal International Associates, Inc., 1 East 57th St., New York, N.Y. 10022.

Second CETIA show planned for early 1970 in Melbourne

Following the success of the first Control, Electronics, Telecommunications, Instrument, and Automation Exhibition (CETIA), held in Sydney, Australia, May 13-17 of this year, plans have been announced to hold the second in a projected biennial series of CETIA exhibitions, this time in Melbourne, Feb. 23-27, 1970.

The 1968 exhibition featured displays of 108 firms, with 1,300 different items shown. The official attendance figure was reported as 8,204 representatives of the trades included in the show's subjects.

Component parts to finished products, from microelectronics to complete systems will be highlighted at the next CETIA show, according to the exhibition organizers. In addition, a concurrent symposium will present technical papers on major phases of applications of electronics.

Write: CETIA Exhibition Administration, Box 3269, G.P.O., Sydney, New South Wales 2001, Australia.

Worldwide Business Outlook pages 12-26

CURRENT BUSINESS DEVELOPMENTS IN BRIEF: Heineken's and Amstel, the big Amsterdam-based breweries, have announced a merger plan. Together they account for about 55% of the Dutch market and about 80% **Netherlands** beer exports. Alcoa has opened a new plant near Rotterdam for the production of tabular alumina. About 90% of production will reportedly be exported to other European countries and Japan. . . . Fibras Esso, S.A., a subsidiary of Standard Oil Company of New Jersey, will shortly begin production of synthetic fibers at its new plant in Zaragoza, **Spain,** now nearing completion. . . . **France's** imports from U.S. in Jan.-Sept. were $962.2 million, up 3% above Jan.-Sept. 1967. Total French imports rose to $9.86 billion, up 8%. The U.S. share of total French imports declined from 10.2% in Jan.-Sept. 1967 to 9.8% in Jan.-Sept. 1968. . . . The Government of **India's** Index of Industrial Production for the first five months of 1968 averaged 4.9% above its level during the comparable period of 1967 and about 6% above its level during the preceding three months (Oct.-Dec. 1967). This upturn in the index was led by consumer goods industries (8.1%), with intermediate goods rising 6.5%, basic goods up 0.2%, and capital goods production declining 1.2%.

Portugal: change is key

First altering in nation's leadership in 40 years felt to foreshadow economic progress

The dominant factor of the current scene in Portugal is that the country has undergone a change of government for the first time in 40 years, and that the change has not been accompanied by any disruptions of Portuguese society.

Dr. Salazar's illness beginning in early September, and the delay in appointing a new Prime Minister did, of course, cause some uncertainty and postponement of economic decisions. The local stock market (which is of psychological rather than economic importance) faltered and declined steadily for nearly two weeks, there was some slight pressure for gold and foreign exchange purchases, and businessmen in general avoided making major decisions for investment and stock building.

The period of uncertainty was short-lived, however, and the appointment of Dr. Marcelo Caetano as Prime Minister on Sept. 27 was favorably received throughout the country and welcomed in business circles.

Not fully recovered

As a clear indication that internal demand has not yet fully recovered however, the value of imports for the first eight months of 1968 declined slightly (by one-half of one percent) compared with the same period of 1967 when imports were considered low because they had increased by only 6.3% over the first eight months of 1966. The greatest declines in imports through August were from the United States (down 12.1%), the United Kingdom (down 6.5%), and France (down 3.2%), while imports from Portugal's major trading partners have increased only from West Germany (up 5.7%).

Reflecting the lack of investment for modernization and new industrial capacity, the largest declines in imports have been for ferrous and non-ferrous metals, industrial machinery, electrical equipment, vegetable products, and transportation equipment. The contraction in internal demand has also led to some decline in imports of consumer goods, including meat and other foodstuffs.

Exports, on the other hand, have continued to expand at about the same 7.5% rate as last year. Once again, export growth has been greatest for textiles, clothing, and footwear (which together accounted for nearly half of the increase), for wood and cork products, for wood pulp, and for food and beverages, particularly tomato concentrates.

Don't be discouraged

In the longer run, the improvement of United States sales to Portugal will depend on the resumption of high levels of investment and economic growth which businessmen believe is on the horizon. The fact that Portugal is a member of EFTA should not discourage American suppliers, since the highest rate of growth in sales to Portugal has been registered by a non-EFTA nation, West Germany.

The greatest increase in exports thus far this year has been to Sweden, followed by the United States (mainly because of increases in tomato concentrates and cotton yarns and textiles), West Germany, the United Kingdom, and Switzerland, while exports to France and Italy have declined.

Trade balance better

As a result of the contraction in imports and the continuing growth of exports, Portugal's normally unfavorable trade balance is running somewhat lower. This, together with continuing high earnings from tourist expenditures and emigrant remittances, seems to be responsible for the steady increase in gold and foreign exchange reserves held by the Bank of Portugal, which are now approximately $1,300 million or the equivalent of about 14 months of normal imports.

As mentioned above, the sluggish state of the Portuguese economy has brought with it a slack demand for imports of capital equipment; and improved weather conditions for agriculture do not augur well for sales of food commodities this year. As a result, imports in general have fallen off slightly, and U.S. sales to Portugal declined by 12.1% during the first eight months of the year. In fact, if it were not for the sale of aircraft and aircraft parts (which accounted for nearly 30% of U.S. sales during the first eight months of this year) the United States would have lost its position as Portugal's third most important supplier after West Germany and the United Kingdom.

Of the major items which the United

States sells to Portugal aside from aircraft, there have been increases thus far this year only for raw cotton (a dramatic five-fold increase), corn, leaf tobacco, some plastics and plastic materials, and certain pharmaceuticals.

At the same time, sales of machinery and wheat have fallen off substantially. The low level of investment in plant modernization and expansion suggests that prospects for increased sales of machinery are not good, and the bumper wheat crop will mean that purchases abroad will remain low this year.

With regard to wheat sales, the United States is expected to suffer less than traditional suppliers, however, because it sells special high grade wheat used for blending and for the manufacture of semolina. Nevertheless, present estimates are for purchases of about 35,000 metric tons of wheat from the United States during 1968 compared with 73,000 metric tons last year.

Offers many advantages

Portugal offers many advantages to the prospective investor. Although the domestic market is small and per capita income low by European standards, there are many favorable attributes for rapid growth which are rarely found in a country in Portugal's intermediate stage of development. These include a stable currency supported by large gold and foreign exchange reserves, a favorable balance of payments benefiting from the strong inflow of invisibles from tourism and emigrant remittances, a fairly high level of domestic savings, the availability of a disciplined and low-cost (albeit poorly educated) labor force, a special temporary tariff position in EFTA, an adequate infrastructure offering external economies, a tax system favorable to business enterprises, and special tax and tariff incentives for firms producing for export.

Clearly, Portugal offers many opportunities for companies interested in entry into the large and expanding EFTA market.

Businessmen in Portugal appear unanimous in the view that the Caetano Government offers prospects for letting more fresh air and dynamism into the economy without basically altering the fabric of the present national structure. There is considerable optimism that the new Prime Minister and his cabinet will simplify and modernize bureaucratic procedures, make government policy more responsive to business needs, and provide a new impetus for a faster expanding economy to fulfill the goals of Portugal's Third Development Plan (1968-73).

Businessmen believe that changes instituted by the new administration will be gradual and cautiously applied, but nevertheless in the direction of greater liberalization with emphasis on more rapid economic growth.

Hopes are high at present that the Portuguese economy will resume the tempo of expansion which it enjoyed during the first half of the 1960's, when growth was stimulated by Portugal's entry into EFTA and the increased orientation of manufacturing industries toward the export market, by implementation of the Second and Intercalary Development Plans, by the virtual elimination of quantitative restrictions on non-agricultural imports, by the adoption of more flexible and active monetary and fiscal policies, by the opening of arms to foreign private capital, and by the rapid rise in receipts from tourism and emigrant remittances.

As a result, during the first half of the 1960's, Portugal was able to maintain one of the highest rates of growth in gross national product of any Western European nation (an average of 6% in real terms), while at the same time having to increase defense expenditures to a point where they now absorb more than 40% of the budget and nearly 8% of GNP. These factors provided the stimulus for sustained expansion until mid-1966, when a combination of circumstances led to a slow-down in growth from which the economy has not yet recovered. There are now signs, however, that conditions are good for the long awaited up-turn to begin.

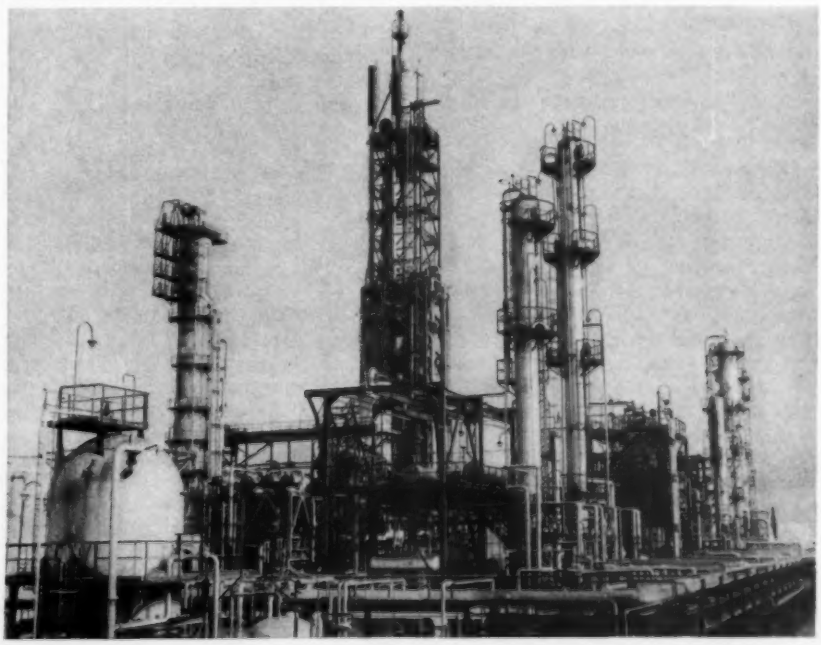
Industrial production, which fell off more or less steadily in the latter half of 1966 and throughout 1967, has shown some improvement this year. According to figures recently released by the Portuguese Industrial Association, the average monthly index for industrial production shows an increase of 8% for the first five months of this year over the same period of 1967. The recovery seems to be greatest in the wood pulp industry (production up 38%), in the production of laminated steel, in electric power production which continued to increase even during the summer months when household demand is low, in the production of electrical materials, in tire production, and in the production of textiles generally, particularly clothing.

On the other hand, there has been some decline in the production of coal, pig-iron, petroleum products, chemical fertilizers, and cement.

Somewhat tarnished

When one looks closer, however, even the bright spots in the industrial picture are somewhat tarnished. Businessmen and bankers note that the metal machinery industries are continuing to work at reduced capacity due to lack of domestic demand for equipment goods, and the increases in textile production cloud over

PORTUGAL'S HOPES FOR AN ECONOMIC UPSWING hinge on expanded public investments, which are lagging behind the goals of the national development plan. Below, an oil refinery near Lisbon.



the difficult position of many cotton mills which would be candidates for bankruptcy were it not for commercial banks which financed their expansion by short-term loans and are now in the position of having to protect their investment by rolling-over credits.

A more disquieting factor is that construction, which continued to increase at a healthy pace throughout 1967 while industrial production was declining, seems to have tapered off. While no figures are yet available on the number of buildings started or completed this year, other indicators point to a slump in demand for construction materials. In addition to cement, the volume and value of production of bricks, roofing, paint, and ceramic piping are all down significantly.

Aside from the improvement in industrial production, the main contributor toward sustaining economic growth at present is agriculture. Weather conditions have been generally favorable this year, and 1968 harvests of most crops are expected to be at least as good as they were last year.

Bumper wheat crop

The most recent estimates are for a bumper wheat crop (up 39% compared with 1967) and for a grape harvest which will increase wine production by 20%. The quality of wine produced is not up to par, however, because of early harvesting due to grape rot as a result of summer rain. Consequently, the value of the harvest may be adversely affected. Cork production is up slightly, the corn harvest is expected to be about the same as last year, and the rice crop slightly better.

While fruit harvests were not as good as expected, the only major agricultural commodities expected to suffer a significant decline in production are potatoes (22% below last year) and olive oil (for which preliminary forecasts show a decline of 14% for this off-year of the normal production cycle).

Tourism, which has become Portugal's biggest industry and is a major source of foreign exchange earnings, is continuing to increase although at a reduced rate. The number of foreign travelers entering the country during the first seven months of this year increased 3.3% compared with the same period of 1967. For the first seven months of 1967, the number of foreign travelers was 7.2% above the corresponding period of 1966.

There are no figures available on expenditures in Portugal by foreign travelers. Last year expenditures fell off slightly even though the number of travelers entering the country increased by about 25%. This will probably not be the case this year, however, since the number of U.S. travelers (who are the biggest spenders per capita) increased during the first seven months by 7.1%, while during the first seven months of 1967 the number of U.S. travelers had declined by 19%. So far this year, in addition to more from the United States, there has been an increase in the number of tourists from Spain, Canada, Denmark, Norway, and West Germany, while the number from Britain, France, and Sweden has declined.

The improvement in industrial production, satisfactory agricultural conditions, and tourism seem to have been instrumental in bringing a moderate improvement in business activity in general. As one indicator, the value of commercial instruments settled through clearing houses during the first eight months of this year increased by 16.2% compared with the same period of last year, during which the increase over 1966 was only 6.9%.

Other favorable indicators are that the value of commercial paper discounted by banks increased 12.7% during the first seven months of this year compared with 5.7% for the same period of 1967, and the value of unpaid (protested) drafts decreased by about 1% through June compared with an increase of 86% for the first half of 1967. These statistics seem to confirm reports by businessmen that sales and collections are better this year and, with inventories now at a low level, should continue to improve.

A cause of some concern among businessmen and government officials concerned with economic matters is that inflation is continuing while the economy is operating at far less than full capacity, investment is lagging, and the government is pursuing deflationary monetary and fiscal policies.

According to official figures (which probably are underestimations), the average monthly index of consumer prices in Lisbon rose by 7.2% during the first eight months of this year compared with 4.4% during the same period of 1967, and the housing cost component of the index increased by 20.8%. Increases in other major cities were less, but still marked. The wholesale price index for Lisbon also increased by 5.2% for the first seven months of the year compared with 3.9% during the same period last year.

The major cause of the price rises seems to be the general increase in wages, particularly for rural workers. According to official figures, wages for male farm workers increased 21.5% during the first half of this year compared with 8.8% during the same period of 1967, while the rate of wage increases in industry and transportation has been 7%. Although no data on emigration are available for this year, the wage increases for rural workers suggest that it is continuing at a high level and that employment conditions in Portugal are not sufficiently attractive to entice the mass return of workers who have left to seek their fortunes in higher-wage countries.

The main question at present is whether the favorable signs in the economy will be sufficient to restore the confidence of private investors, and whether the government will pursue policies that would encourage the resumption of more rapid economic expansion. While no statistical data on investment are yet available for this year, businessmen and bankers report that it is far below the level that would be needed to give a vigorous impulse to economic growth, and this view seems to be supported by the slack demand for capital equipment, both domestic and imported.

Only known projects

The only large private investment projects known to be under way are the construction of a new petroleum refinery in Oporto, the expansion of *Siderurgia Nacional* (Portugal's only integrated steel mill which is in the midst of a three year expansion program involving an investment of $52.5 million) and the expansion and development of tourist facilities, particularly in the Algarve, Portugal's sunny southern coast. The planned expansion of Estaleiros Navais de Lisboa (Lisbon's large modern shipyard) has not yet begun, but is expected to be under way in the near future.

The remaining private investment of note is being made by foreign capital, either alone or in joint ventures with local

Economic gains noted

Although it would be premature to conclude that the Portuguese economy is clearly on its way toward recovery and the resumption of rapid growth, there has been some improvement in economic activity thus far this year. The favorable factors encouraging an optimistic outlook are an improvement in industrial production (although this is still highly sectoral), a satisfactory year for most agricultural crops, and the continuing contribution of tourist expenditures to domestic demand.

investors. According to local bankers, the bulk of foreign private investment this year has been from the Netherlands, Belgium, Sweden, and Japan, and has been mostly in the fields of wearing apparel and electronics (particularly the assembly of radios, television sets, transistors and parts for electronic calculators).

Apart from the generally uninspiring business climate, the main factor impending a satisfactory level of private investment is Portugal's capital market structure, particularly the inability of the banking system to meet the needs of the country's economic development by mobilizing and allocating medium and long-term investment capital. Since the majority of Portuguese firms are extremely small and are unable to generate investment capital from retained earnings, the inadequate capital market structure has a dampening effect on every aspect of business activity.

While by the end of July deposits in the banking system had expanded by 17.1% compared with the same date of last year, credit outstanding had risen by only 9.6%. Therefore, the banking system is very liquid; and while there is a demand for medium and long-term credit for the modernization and expansion of factory installations, banks are able to meet the demand only in part and to a large degree by the granting of renewable short-term credit.

The Government is aware of the problem and last June published in a provisional form regulations which could permit the channeling of a larger portion of bank resources into medium-term financing. The regulations have not yet come into effect, however, and when they do, will not have much effect unless the interest rate structure is adjusted to make longer term loans attractive and unless banks are given access to rediscount by the Central Bank for medium-term credit granted.

Much of the hope for a stimulation of more rapid economic growth has hinged on an expected increase in public investment under the Third Development Plan which was launched on the first of the year. According to the Portuguese budget for 1968, extraordinary public investment was to increase by $27 million to reach $101.6 million for the year. While no statistical data are available, informed sources report that very little has yet been spent.

The fact that the Plan is new and there has been a change of government has had an effect, and as a result it is generally acknowledged that public investment is lagging.

Angola's imports at record level; U.S. regarded in good competitive position to supply major needs

U.S. is a prime source of capital goods, as well as chief buyer of prime export, coffee; mineral reserves show economic promise

Prospects for continued growth in the Angolan economy are good, although the rate of expansion may be somewhat lower, according to the annual Economic Trends Report from the U.S. Consulate General in Luanda.

Angola's imports were a record $276.7 million in 1967, up 33% from 1966, while exports increased 7%. This trend continued in the first four months of 1968 with imports and exports up 14% and 18% respectively from the same period last year. In 1967 the largest imports were automobiles, trucks and parts, iron and steel manufacturing, wine, locomotives and railroad equipment, and textiles and fibers, in order of importance.

Producers' goods represented 41.1% of 1967 imports, up from 33.3% in the previous year, while consumers' goods fell from 35.1% to 28.8%. The growth in producer goods imports is attributed to Gulf Oil's operations in Cabinda and the Cassinga iron ore project.

Capital goods will continue to represent a large share of imports, although the proportion may fall back this year as imports of equipment for Gulf and the Cassinga project will probably decline. The continued expansion of local manufacturing will reduce the importance of consumer goods in the total import bill.

Coffee and diamonds accounted for 69.5% of the value of Angola's 1967 exports, an increase from 65.5% in 1966. Coffee and diamonds will continue to provide a large part of foreign exchange receipts, but with the growth of iron ore exports, up over 100% in the first quarter 1968, and crude petroleum, their relative importance will decline.

The 1967 trade deficit of $37.1 million was the first since 1961. The rise in imports worsened the chronic balance of payments deficit resulting from Angola's invisible transfers to metropolitan Portugal. It is believed, however, that by mid-1969 large oil exports will ease, if not erase, the deficit.

The United States has traditionally been an important supplier for Angola, furnishing around 8% of total imports. In 1967 imports of American goods rose sharply to $36.4 million, 13.2% of the total and twice the 1966 value. The United States thus became Angola's number three supplier following metropolitan Portugal and West Germany.

The largest American exports to Angola in 1967 were iron and steel manufactures, $4.2 million; parts for earth-moving equipment, $3.2 million; tractors, $2.8 million; locomotives, $2.2 million; and motor graders, $1.5 million. Angola's imports from the United States in the first four months of 1968 were $12.1 million, more than double the 1967 value.

U.S. is good customer

The United States has long been Angola's second customer, following metropolitan Portugal, and in 1967 took 27.2% of total exports. Exports to the United States were a record $65 million, up 20.5% from 1966. Angola's sales to the U.S. depend almost exclusively on coffee, which accounted for 96% of the value of exports to the United States in 1967. Because of the anticipated dock strike, coffee exports to the United States in the first four months of 1968 were unusually high. Total exports to the United States in this period were up 15% from the same period in 1967. The expansion of iron ore and petroleum exports in coming months should, however, reduce the relative share of exports purchased by the United States.

Some Angolan imports from the escudo zone pay lower duties than goods from foreign countries. But metropolitan Portugal and other Portuguese territories are not important producers of the capital equipment necessary for the economic development of Angola.

The growth of extractive industries and the stepped-up road-building program offers a larger and more diversified market for American manufactured products, es-

pecially heavy duty construction equipment, but the competition from European and Japanese manufacturers will be stiff. According to some local business sources, European and Japanese companies offer more attractive credit terms to local dealers.

The most promising field for U.S. exporters are for the sale of fabricated metal products, machinery (except electrical), and transportation equipment. Markets for beef and dairy breeding stock and related equipment might also prove to be of growing interest to U.S. exporters.

The production and export of coffee is Angola's most important economic activity. According to a 1967 study by the International Coffee Organization, coffee cultivation provided direct employment for 200,000 people, 11.7% of the total active population.

Coffee sales have expanded considerably in the past few years and in 1967 accounted for 51.9% of exports. Sales to the United States were 50% of total coffee exports. Under the International Coffee Agreement, coffee sales are not expected to increase greatly.

The outlook for Angola's other commodities is mixed. The 1967 cotton crop was a record 27,370 tons, up 35% from 1966. Prospects for increased cotton production are good, with new areas being cultivated and modern agricultural methods being introduced.

Sisal production has declined from the 1962 peak and the 1968 crop is estimated at 58,100 tons. The value of exports has fallen sharply since the early 1960's and in 1967 totaled only $6.8 million. Excessive world production and increased competition from synthetic products indicate a smaller role for sisal in the overall economic picture.

The production and export of other agricultural commodities, notably corn, hardwoods and tobacco, remain important. The output of these and other agricultural commodities has advanced irregularly, and in some cases production has declined. Production of beef and dairy herds has shown promising signs of growth, although still in its initial stages.

Minerals show promise

Diamonds continue to be the most valuable of Angola's mineral products. Production in 1967 was valued at $42.7 million, up 4.9% from 1966. However, the value of production in the first quarter of 1968 was down 9% and only modest increases can be expected in 1968 and 1969.

Petroleum production began several years ago and in 1964 was a record 904,757 tons. Production has fallen in the past few years, reaching 537,152 tons in 1967, down 14.9% from 1966. Recent developments, however, indicate a larger role for oil.

Petrangol, Companhia de Petroleos de Angola, the only producer in Angola until recently, has intensified its exploratory activities as production from its older fields near Luanda has fallen. Output has recently started from its new field at Quenguela, southeast of Luanda. Petrangol and other foreign and Portuguese companies are conducting or planning exploratory work in other concessions as well.

Iron ore production in 1967 was a record 1.15 million tons, up 46% from the previous year. Output came primarily from Cassinga, the large mining complex developed by the Lobito Mining Co. in southern Angola. Iron ore production from Cassinga increased in the first three quarters of 1968 and exports reportedly totaled 1.7 million tons. Target production for 1969, predicted as high as six million tons, will probably not be achieved, as output from Cassinga has consistently failed to match expectations. However, iron ore exports, destined primarily to Japan, West Germany and the United Kingdom, will expand greatly in 1969.

Angola has what are believed to be large reserves of minerals, including copper, manganese and iron. So far, however, plans for the extraction of these deposits have failed to materialize.

Light manufacturing, primarily for local consumption, is now playing a more important role in the Angolan economy. In 1967 the gross value of manufacturing production was $137.8 million, up 7.8% from 1966. The most important industries are food processing, bottling and brewing, cotton textiles, chemicals, tobacco, and cement and glass. In general, the value of manufacturing production continued to grow in first quarter 1968, with most groups showing modest increases from last year. Prospects for continued expansion appear good as long as the market for primary commodities, especially coffee, remains steady.

This year is the first in the six-year Third Development Plan. Plan expenditures for 1968 are placed at $47.1 million, about one third of which are for highway construction. For both military and economic reasons, an ambitious program of road construction is part of the development plan. By the end of 1967 there were 2,670 miles of paved highway in Angola, a 600% increase over 1962.

Government receipts and expenditures for 1967 were up 9.9% from 1966. The increased revenues were due to increased business activity and foreign trade, as tax rates remained near previous levels. A revised tax system, to become effective in 1969, is expected to simplify previous tax legislation, tightening the present loopholes rather than raising tax rates, and should increase government receipts.

Civil construction record

The value of civil construction completed in 1967 was a record $16.7 million, an increase of 30% from 1966. In terms of value, 49% of 1967 building was in Luanda. The value of the buildings completed in the first quarter of 1968 was slightly below the 1967 level, but the pace of construction is expected to remain near the 1967 high.

A key index of economic activity, investment in manufacturing industries, nearly tripled from 1966, reaching $22.9 million in 1967, but investment in manufacturing fell sharply in the first quarter of this year.

There are now five commercial banks (including the bank of issue) operating in Angola, with a total of nearly 100 branches. Deposits in commercial banks increased 43.5% in 1967 and total credit extended by the commercial banks and other financial institutions was up 24.4% from 1966. According to local banking sources, merchants continue to borrow heavily to finance imports. Import financing is usually 120 days, half of which is usually renewed for another 120 days.

The quickened economic pace has not yet resulted in serious inflationary pressures. According to the Bank of Angola's consumer price index for Luanda (Dec. 1965 = 100), the overall index reached 109 in June. The rise in the index is attributed to modest but steady increases in the price of food, housing and unskilled labor. According to bank officials, however, the full extent of the increase in housing prices is not reflected in the index. Prices in some other areas, notably Cabinda, have probably risen more than those in Luanda.

Gulf Oil subsidiary

A subsidiary of Gulf Oil started producing in September from its concession in the Cabinda enclave of Northern Angola. Investment is expected to total $120 million by the end of 1968. Drilling has been concentrated offshore and output should reach 1.5 million tons annually before the end of 1968. Production from Cabinda, which is expected to reach 7.5 million tons a year by 1970, will be sold on the international market.

Reform revives Congo

Political stability and monetary moves bring economy from crisis to optimism

Political stability and the positive effects of the June 1967 monetary reform have combined to move the Congolese economy in a relatively short time from grave crisis to a point nearer the threshhold of economic development, according to the semi-annual Economic Trends Report from the U.S. Embassy in Kinshasa.

The degree to which this reform has shaped economic developments marks it as one of the most significant events in the post-independence economic history of the Congo. The principal instruments employed by the monetary reform were: A sharp devaluation of the over-valued Congolese franc (replaced by the zaire at 1:1,000); reliance on credit controls and import duties, rather than on quantitative restrictions, to keep imports from getting out of hand; increased taxation of both imports and exports to bolster government revenues; and, finally, exercise of wage restraints.

In most respects the monetary reform has been an impressive success, and 1968 probably will prove to be the best year for the Congolese economy since independence.

While prices rose sharply in the wake of the reform, the increase was well below the 100% anticipated. Since June of this year prices have been virtually stable: recent index figures even show a very slight downward trend. Despite the removal of quantitative restrictions on imports, the net foreign exchange reserves of the Congo moved from a negative position in mid-1967 to about $114 million at the end of August 1968. This positive development was due not only to the monetary reform, however, but in large measure also to the high copper prices prevailing at the end of 1967 and the first part of 1968.

Government receipts responded rapidly to the fiscal measures instituted under the reform. From $58.2 million in the first half of 1967, receipts rose to $186.6 million a year later. In the third quarter of 1968 revenues were still running at an annual rate of $344 million.

Not without problems

Compared with the achievements of the monetary reform, its negative effects for the most part have not been serious. Of course the devaluation has had a significant impact on purchasing power and living standards. For the eighteen-month period following the reform, wage increases have been held down to about 43% (IMF guidelines allowed a 40% rise for this period). A price increase of around 87%, therefore, has reduced living standards to roughly three-fourths of their pre-reform level.

Prices seem to have leveled off now, as indicated above, and the loss of purchasing power has not led to the political and social unrest that might have been anticipated. However, pressure for further wage increases remains strong, and it seems probable that wages will inch upward at least until the pre-reform living standard has been regained.

Credit restrictions, designed primarily to control the volume of imports, inevitably have had a dampening effect on the internal economy and on consumer demand for domestic products as well. According to some accounts, credit restrictions have impeded distribution of goods in the interior and the production of some export crops.

The substantially increased rate of export duty has also restrained production of agricultural exports.

Major sales openings

Plans for improving the Congo's transportation, communication and other public utility systems will require sizable investments and may offer major opportunities for the sale of capital equipment for the country's railroad and river networks, the modernization of semi-public utility companies, and for civil aviation. The latter field offers opportunities for navigational aids, communications equipment, long- and medium-range jets, as well as light aircraft. Export possibilities are inherent also in the expansion of Congolese consumer industries and agriculture.

The modernization and expansion of the mining and metallurgy industries, already underway, may develop at an accelerated rate as a result of improved infrastructure and a general increase in economic activity.

Lastly, despite buoyant revenues, government expenditures have increased at an even higher rate. A budgetary surplus achieved during the second half of 1967 turned into a deficit during the first three quarters of 1968. For the time being, at least, this situation is not likely to renew inflationary pressures, but in the longer run, unless expenditures can be brought into better balance with receipts, it may not be possible to enjoy both economic development and continued price stability.

Since 1960 the United States has played a leading role in maintaining the Congo's territorial integrity and stability. Large-scale supporting assistance, PL-480 grants and loans and other U.S. aid programs have constituted an important part of the American presence in the Congo. U.S. aid has amounted to $360 million since 1960, with the present level at about $30 million per year.

Events will dictate

It is obvious that present and future developments affecting the economy will be the principal criterion in determining future American aid programs. Continued improvement in economic performance presumably will lead to a re-orientation in U.S. assistance away from efforts to alleviate foreign exchange deficiencies and inadequate domestic production of food and fiber, and toward economic development projects.

If present trends continue, the economic relationship between the United States and the Congo should enter a new phase, characterized by increased public and private American investment to help meet the Congo's developmental requirements: the policy of the Congolese Government toward foreign business activity obviously is a very important factor in assessing the outlook for increased American business and investment. As shown by the new Belgo-Congolese relationship and other manifestations of good will toward foreign business, President Mobutu's administration is keenly aware of the benefits which foreign capital and know-how can bring to the Congo. The Congolese Government has made it clear that it welcomes American investment and American products in this country.

A new investment law is under preparation and efforts are being made to create

a development lending agency in the Congo.

Several important American investment projects on the verge of implementation include a large first-class hotel in Kinshasa, a mining venture in the Eastern Congo, a flour mill at the port of Matadi, as well as oil exploration activities. There are other indications of growing interest in investments on the part of American banks and business firms.

The decline in imports brought about by the monetary reform should be regarded as transitory phenomenon. Since a successful reform presupposes a rise in economic activity following the initial stabilizing phase, increased U.S. export opportunities may be expected to develop.

Factors favoring U.S.

There are several factors favoring an increase in the U.S. share of the Congolese market, such as the prestige enjoyed by many American products and by the level of U.S. technology; the absence of discriminatory trade practices; and an aid program which takes into consideration follow-on possibilities for commercial sales.

U.S. products of particular interest in the Congo include heavy mining equipment of all kinds, locomotives, vehicles and tractors, machinery, large passenger jets as well as cargo and light aircraft, and certain consumer goods such as plastics.

While the Congo is a member of the Yaounde Convention of EEC-Associated States, it does not grant reverse preferences to Common Market suppliers.

There are, of course, also obstacles in the way of increasing the American business presence in the Congo. European suppliers, especially Belgian firms, enjoy long- and well-established trading relationships. They have the advantage of better communications and transportation, competitive prices and often better credit terms, more intimate knowledge of the country and its needs, and no language barrier. Third countries are making inroads into already existing U.S. markets because often they offer better prices and financing conditions than American firms.

Price competition plays a particularly important role in the automotive field, for instance, where c.i.f. price differentials between American and European heavier passenger cars are greatly magnified by the Congo's progressive rates of import duty, to a point where the American product may be priced out the market altogether.

Despite such difficulties, greater initiative, aggressiveness, concern with local needs, tastes and circumstances, as well as direct representation of American product lines (rather than through European intermediaries) could be expected to achieve significant results in terms of improving the U.S. share of the growing Congolese market.

IMPROVED TRANSPORTATION GETS TOP PRIORITY from the Congo's planners, so that goods can move freely throughout the country. Above, river-going boats under repair at a Kinshasa shipyard.

Copper production, which accounts for about 75% by value of Congolese extractive industry output and some 60% of export earnings, is increasing steadily. From 318,000 metric tons in 1967, production is moving toward an estimated 330,000 tons this year, and 360,000 tons are predicted for 1969. Production of other minerals also has been on the increase, although in some instances it has not yet recovered the levels attained before the mercenary rebellion of 1967.

After reaching a peak of 64¢ a pound (due to the U.S. copper strike) early in 1968, copper prices fell substantially toward the middle of the year and then leveled off. The price on the Brussels exchange during October, holding firm at around 50¢ a pound, indicates that copper earnings will be reasonably well maintained, at least for this year.

The agriculture recovery program launched within the framework of the monetary reform has achieved success with respect to output of Robusta coffee, cotton and rice. The Congo is approaching self-sufficiency in cotton and rice, and U.S. Public Law 480 assistance in these commodities will be reduced or eliminated accordingly.

Actually, restoration of security in the rural areas may have had more to do with these positive developments than either the monetary reform or the agricultural campaign.

The effect of the reform has not been uniformly favorable to agriculture. Initially, the devaluation stimulated crop output by increasing returns in local currency more than threefold. As costs began to rise, however, the impact of higher rates of duty and taxation and of credit restrictions began to make itself felt. Declining world market prices for such commodities as rubber, palm- and palm-kernel oil aggravated the effect of the higher export taxes. Perhaps most importantly, continued transportation problems have interfered with the production and evacuation of crops.

There is evidence to show that the curve of agricultural output, rising since 1965, is flattening out except for coffee, cotton, rice, rubber and palm kernel oil (the last despite unfavorable world price developments). Port statistics for the first nine months of 1968 show that banana

exports have declined sharply since last year. Exports of rough logs and sawed lumber also are down. The Government is considering reductions in export duties for those commodities which are the hardest pressed.

The short-run impact of the monetary reform on manufacturing has not been positive, but the present squeeze should be a transitory phenomenon, preparing the way for a much healthier situation than that which prevailed before. A combination of tight credit, reduced effective demand, a tough competition from imports entering the country free of previous quantitative restrictions have brought about a decline in certain sectors. The textile industry has been particularly hard-hit by import competition, with domestic production down by as much as a third from previous levels.

Many managers regard credit restrictions as their most serious problem. The transition from a sellers to a buyers market in some product lines requires modernization of plant and equipment as well as the ability to offer buyers better credit terms in order to enable domestic industry to compete more successfully with imports. This in turn requires investment, which requires credit.

Commerce also suffers

Commercial activity is also suffering from financial impediments, and even more from transport problems. Excessive importing in the wake of the liberalization resulted early in 1968 in accumulation of stocks in the country and even a backlog of goods piling up in the ports. Credit facilities were strained to provide financing for these stocks.

Like the manufacturers, importers find that they have to readjust their whole approach to marketing, now that the insulation from competition which had been assured by the old import quota system has been removed.

Long delays and difficulties involved in shipping goods into the interior pose equally grave problems for traders.

Statistics available to date are insufficient to demonstrate adequately foreign trade trends for 1968. The 1967 data show a decline for both exports and imports, with a particularly sharp drop in the latter. As a result the balance on current account increased by 45% between 1966 and 1967, and the Congolese gold and foreign exchange position improved markedly. Imports from the United States fell off, but not as sharply as the over-all figure, and the balance between AID-financed and straight commercial sales shifted slightly in favor of the latter.

Infrastructure deficiencies, particularly transportation problems, continue to exert a serious drag on economic activity. In part the situation results from the immutable geography of the country which, though well endowed with navigable rivers in the vast interior and with considerable railroad mileage, is obliged to transship goods at a number of points. The turbulent years experienced by the Congo after independence resulted in grave deterioration of much of the transportation network already in existence.

The situation is beginning to show some improvement. The "relance agricole" includes a program for obtaining road-building equipment and trucks. Significant road construction and road maintenance programs are underway in various parts of the country, financed in large part by U.S. AID-generated counterpart funds.

The big semi-public transport agency OTRACO, responsible for a major part of the Congo's road, rail and river transport, is improving its operations, as evidenced in the relatively smooth evacuation of palm oil from interior plantations this year.

Nevertheless, major investment and organizational efforts are required before delays in moving goods both into and out of the interior can be reduced to reasonable periods. Appraisers of the Congo's development requirements generally agree that infrastructure, particularly transportation and communications, should be given first priority.

In sum, the outlook for the Congolese economy is better today than at any time since independence. Thanks to the monetary reform the Congo enjoys greater economic and price stability now than it has known since 1960. To be sure, stability is not an end in itself; it is a justified objective here in terms of setting the stage for economic growth. The Congo has yet to enter this phase of economic growth, but it has moved a long way in a short time from an emergency situation toward the threshhold of economic development.

Foreign investment interest is reviving, and various development projects are under active discussion with aid-donating governments and international financial institutions. The Congo's rapprochement with Belgium, the former colonial power, can be expected to benefit the economy. Ties with other Common Market countries, notably Italy and France, also are growing closer. The development of closer relations with Western European countries is beginning to produce concrete results in terms of aid and investment.

Liberia now taxes interest, dividends of nonresidents

Government says amendment won't add to foreign taxpayer's burden

The Liberian Revenue and Finance Law has been amended to tax income arising in Liberia of nonresident foreigners, members of nonresident foreign partnerships, and foreign corporations not actively engaged in trade or business in Liberia. The amendment imposes for each taxable year a tax on the gross amount of interest, dividends, royalties, rents, compensation or other fixed or determinable income arising, accruing, or earned within the Republic of Liberia.

The Liberian Secretary of the Treasury is authorized to set the rate or rates, but not in excess of: 15% for interest payments to a bank or financial institution, or for dividends paid by Liberian corporations to a foreign corporation, and 30% in all other cases.

A non-resident foreigner, foreign partnership, and foreign corporation may, however, elect with the consent of the Secretary of the Treasury to pay the tax on a net basis after authorized deductions and exemptions. The regular tax rates set forth in the Revenue and Finance Law would then be applicable.

The legislation provides the following exemptions from this tax: interest on bank deposits in banks in Liberia; interest, commissions, and other charges levied on short-term commercial transactions, and items of income specifically exempted by concession agreements.

The tax on a gross basis will be paid by withholding the tax due at the source and turning it over to the Secretary of the Treasury on the 15th day following each calendar quarter year.

With this new tax amendment the Liberian Government intends to obtain additional revenue from heretofore untaxed sources, while refraining from imposing additional tax burdens on the recipients.

The Liberian Government observed that it could collect this new tax without adding to the taxpayer's burden, since he can deduct these payments from his income tax in his home country. For residents of countries which do not permit a tax credit for taxes paid to the Liberian Government, the implementing regulations when issued are to permit a refund.

East Africa is growing market for industrial goods, but taxes and prices limit consumer buying

Nations try to foster growth through industrialization; accord with EEC may affect U.S. position as No. 3 supplier

By NANCY V. RAWLS
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Kenya, Tanzania and Uganda, the three members of the newly-formed East African Community and common market offer growing national and region-wide markets of interest to U.S. traders and investors.

Over the short term, these three countries expect to maintain their current economic growth rates, which range in constant prices from 2% in Tanzania to 5% in Kenya. This continued growth is to be fostered by development programs aimed at diversifying and industrializing their basically agricultural economies.

Construction and tourism have been dominant growth sectors in all three countries. Continued growth in tourism will require expansion of local transport and accommodations, as well as efforts by the three Governments to minimize tourist entry and exit formalities. The plans of individual East African Governments to expand and improve airport facilities and foreign purchases of aircraft and locomotive equipment by regional transport services represent forthcoming opportunities for U.S. contractors and suppliers in these fields.

Assistance projects of the U.S. Agency for International Development in support of national and regional development programs can also help suppliers in this market.

An AID loan of $12.9 million recently was made available to Tanzania for the construction of 145 miles of the highway linking its capital, Dar es Salaam, with neighboring Zambia. In fiscal 1969, long-term construction loans involving U.S. procurement are anticipated for university and teacher training facilities in Uganda.

Continuing and upcoming AID technical assistance programs in all three countries will concentrate on agriculture and education. Specific projects in the agricultural sector complement governmental efforts to provide training and to diversify and increase production, particularly in the livestock and dairy industries.

U.S. suppliers may also bid successfully on regional and bilateral economic development projects undertaken by agencies in the World Bank group. International Development Association (a World Bank affiliate), credits totaling $16.4 million were recently made available to Kenya for road, tea, and livestock development. Tanzania has received new IDA credits for livestock and power development, and further assistance for the Tanzania-Zambia highway is under consideration. Uganda, too, is the beneficiary of an IDA credit for livestock, with other projects proposed. New loans for the construction of secondary schools in all three countries are being considered by IDA.

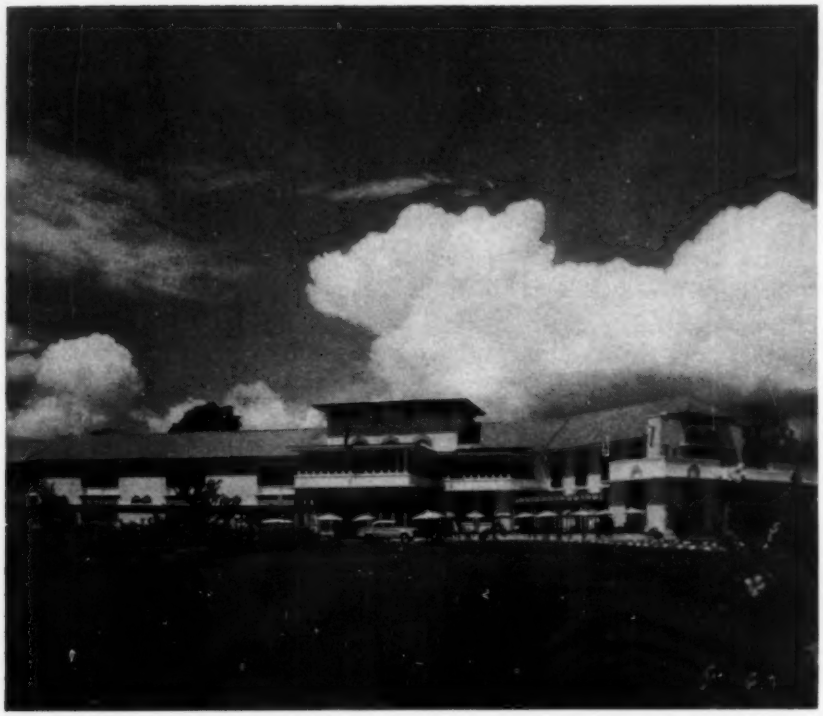
The outlook for consumer sales is not as favorable. In June the three governments introduced budgets designed to increase revenues without discouraging private investment. Accordingly, household spending has been the primary object of current tax increases, which, temporarily at least, have dampened demand for consumer goods. In Tanzania, this situation has been coupled with rising prices which have tended to further curb consumer spending. Kenya and Uganda have enjoyed overall price stability.

THREE-NATION EAST AFRICAN COMMUNITY OFFERS A GROWING MARKET for U.S. traders and investors. Industries of all three countries receive power from Owen Falls hydroelectric scheme in Uganda.

U.S. outlook

For the U.S. trader or investor, the commercial opportunities inherent in East Africa's economic development and diversification are of modest volume for the present. During 1967, U.S. exports to East Africa amounted to $43.4 million, ranking us third among the region's leading suppliers. The U.S. market share—a little more than 7%—was small relative to that of the United Kingdom, but comparable to that of West Germany.

The East African Community's association agreement with the European Common Market may have some bearing on our competitive position vis-a-vis European suppliers. Under the accord, which has not been ratified, the East Africans granted tariff preferences ranging from



TOURISM PLAYS AN INCREASINGLY IMPORTANT ROLE in the development plans of all three members of the revitalized East African common market. Above, the Lake Victoria Hotel.

approximately 2% to 9% on 58 commodities in exchange for easier access to European markets for East African agricultural products.

While the present arrangement is not likely to upset the level of U.S. exports to East Africa appreciably, it is due to be renegotiated in mid-1969, and may thereafter provide a stronger trade link between the East Africans and the European Common Market.

Despite the area's traditional orientation toward British supply sources, commercial practices, and building codes, this market is attracting an increasing number of U.S. firms which are opening offices and plants in East Africa.

Treaty for growth

Not the least of East Africa's attractions for the international businessman is the region's revitalized common market. The treaty of cooperation which established the common market in December 1967 also seeks to promote balanced industrial development among the three partner states through the creation of the East African Development Bank and temporary tax measures, now in operation, to help industry in Tanzania and Uganda meet Kenyan competition. Investors and suppliers, therefore, need to be clear about which portion, if not the whole, of the expanding Community market offers best prospects for the product being offered for sale or manufacture.

The treaty also provides for the continued sharing of public postal and telecommunications services, rail and air transport, ports management, customs operations, and income tax services. Supplier interest in these fields appropriately centers, therefore, on the autonomous community corporations responsible for providing these regional services.

Over the long run, a more vigorous approach to East African industrial undertakings should materialize as the common market agencies and the East African Development Bank become more effective instruments for promoting regional growth. To date, however, each country has promoted its own industrialization independently.

Pressure for Africanization is a reality in East Africa's commercial life, and foreign investors in particular should consider their hiring and training programs carefully in this context. In the commercial sector, the desire for Africanization of retail trade is reflected in price and distribution controls which may affect exporters of staple commodities and lower-priced consumer goods.

U.S. businessmen should not let a desire for immediate impact on the market keep them out of East Africa. Where they are well introduced, U.S. goods are respected for their quality, even if they are considered expensive. Gradually, however, more of the population will be brought into the monetary economy, with a resultant increase in purchasing power and consumer demand.

Moreover, the experiences gained by East Africans at home and abroad through travel, study, work and tourism are multiplying. The effect is certain to be a more lively interest in the products, practices and skills of other countries. U.S. businessmen are at their best in the face of competition and they are urged to apply their imaginative efforts to the East African market.

One channel through which the Department of Commerce assists U.S. suppliers in testing this market is the Sample Product Display Center located in downtown Nairobi, where U.S. exporters can exhibit their products and receive promotional assistance from the commercial staff of the Embassy. The products on display are publicized in all three East African countries. **Write:** Office of International Trade Promotion, Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C. 20230. This office has a list of products suggested as suitable for this market.

World Bank loan aids Nigerian power project

A World Bank loan of $14.5 million to the Niger Dams Authority will enable the Authority to finance completion of the Kainji multi-purpose project in Nigeria for the generation and transmission of electric power, river transportation, and irrigation. All imports financed by the World Bank funds must be procured through international competitive bidding procedures.

In July 1964 the Bank made a loan of $82 million for the Kainji project, the largest ever undertaken in Nigeria. It includes a dam, a power station with an initial capacity of 320 mw, a transmission system to link up with the facilities of the Electricity Corp. of Nigeria to form a national power grid, and a system of locks and canals for river transportation.

The power station is expected to be ready for operation in late 1968. With the completion of the transmission lines, it is expected that power will be supplied to the Lagos area and the west in January 1969 and to the north three months later. Subject to the settlement of the civil conflict, supply to the eastern system should be possible in late 1969.

Business in Ethiopia picks up but steps to conserve exchange raise costs of financing trade

Prior deposit requirement for certain imports shifts emphasis to fast delivery; AID malaria project brings U.S. procurement

Business activity in Ethiopia picked up during the first half of 1968, after the depressing effects last year of the Suez Canal closure, the pound's devaluation, and the late movements of coffee from the interior because of unseasonal rains.

Imports were 17% higher than in the first six months of 1967. Exports went up too, but only by 2.5%.

In anticipation of a drop in the country's foreign exchange reserves—at $77 million, the lowest June 30 position in five years—the National Bank instituted a prior deposit requirement for certain imports, effective April 1.

The prior deposit requirement does not raise the cost of imported goods per se, but markedly increases the cost of financing import orders. For foreign suppliers credit terms have less relevance. A higher premium is now placed on fast delivery, and U.S. exporters are advised to consider the possibility of shipping by air, according to the semi-annual Economic Trends Report from Addis Ababa.

Suppliers of technical equipment and capital goods and of essential consumer goods, which are largely exempt from the prior deposit requirement, as well as materials destined for governmental use, will not be as affected by the new regulations.

The malaria eradication project financed by the United States Agency for International Development (AID) is expected to need a continuing supply of chemical insecticides, and occasionally associated equipment. Procurement is made through the National Communicable Diseases Center in Atlanta, Ga.

May ask World Bank

It is likely that the World Bank will soon be asked to consider financing two new farmland development projects, one in the border area between Shoa and Sidamo Provinces (Wollamo-Soddo), and the other in northwestern Ethiopia along the Sudan border (Setit-Humbera). Tractors, roadbuilding machinery, and similar equipment would be required, as well as a variety of engineering and construction services. Procurement and contracting, as for World Bank projects, would be on the basis of bids from all of the Bank's members. Inquiries should be made through the International Bank for Reconstruction and Development, Washington, D.C.

For information on investment opportunities and climate in Ethiopia, write: Director, Africa Division, BIC-884, Department of Commerce, Washington, D.C. 20230; Director, African Bureau, Office of Private Enterprise, Agency for International Development, Washington, D.C. 20523; Economic Counselor, American Embassy, APO New York, N.Y. 09319; Director, USAID Mission c/o American Embassy, APO New York, N.Y. 09319; or General Manager, Ethiopian Investment Corporation Share Co., P.O. Box 2004, Addis Ababa, Ethiopia.

Ethiopia's exports in the first half of 1968 reached US$68 million. Coffee moved out in greater volume than in 1967 and at prices the same as, or slightly above, last year's. Exports of pulses and fresh vegetables improved over 1967, but shipments of oilseeds, hides and skins declined. Traders recognize that pulse, oilseed, hides and skins exports could be enlarged by upgrading quality as in the case of coffee beans, but so far the necessary efforts have not been made.

Ethiopia's net foreign exchange position at June 30 fell to US$76.8 million (or US$46 million, if currency cover requirements are taken out). The higher amount is sufficient to meet about five months of the country's current merchandise import and debt service needs.

To conserve exchange

The prior deposit requirement imposed by the National Bank of Ethiopia on certain imported commodities, amounting in value to one third of total imports, was instituted as a means of limiting imports to conserve foreign exchange. It has also imposed severe hardship on the smaller local traders and will probably reduce customs revenues.

The requirement is applicable primarily to the less essential consumer goods, some of which are subject to 100% prior deposit; the others to 150%. When foreign exchange is requested for any commodity so listed, the importer must deposit in a blocked account the full c.i.f. value (or 150% of the full value, as the case may be) of the goods ordered. In the case of goods in the 150% category, the excess 50% is refunded only when the goods are entered into Ethiopia.

The new measures, by increasing the financing costs of certain imports, have had the effect of significantly increasing the cost of importing. An unintended, but inevitable, side effect has been to discriminate in favor of large importers with substantial capital resources and

IN ETHIOPIA, imports and exports have gained this year. Below, textile mill in operation. (World Bank)

credit facilities. Many small traders, in fact, have been forced out of business and some of the larger importers have found their new near monopoly of trade to be a mixed blessing. From the supplier's point of view, it has negated the effects of supplier credit for the commodities listed, putting all importers effectively on a letter-of-credit basis.

National Bank officials are unwilling to predict how long the prior deposit requirement will remain in effect, noting that any relaxation must depend on improvements in Ethiopia's foreign exchange position. They do not expect to see the first results of their prior deposit regulation until about the fourth quarter of 1968.

Crop losses

The abnormal timing of rains over the 1967-68 growing season resulted in some crop losses and in some losses of exports and local sales due to delays in transport of goods to market. The lesser income of producers and traders temporarily lowered domestic demand for imports.

Over the 12-month period ending June 30, the credit outstanding went up generally by 17%, the private sector benefiting by a 15.7% raise and the Government by a 19.3% raise. In contrast, during the July 1966-June 1967 period credit as a whole rose only by 7.3%, with the private borrowers that time getting the sharper increase (7.7%).

Greater lending to the private sector this year has helped offset the depressing effects in 1967 on domestic business of the Suez Canal closure, the pound's devaluation, and the late outmovements of coffee. The Government's deficit financing needs continue to mount and may cause credit to private borrowers to be cut back, once private business seems to be on its feet again.

The Government's FY 1968 budget estimates domestic revenues and foreign aid inputs as US $245 million and expenditures at US $260 million. The Government's deficit would be met by more short-term borrowing from the National Bank. Revenues from direct taxes (which equal 23% of total revenues) are projected to rise by 50%. Foreign aid inputs will remain at about one third of domestic revenue inputs, as in FY 1968. Recurring expenditures are expected to rise almost 9%; capital expenditures, by 25%.

The Imperial Ethiopian Government's Third Five-Year Plan (1968-1973) is expected to be published this month. Preliminary announcements indicate that the plan projects an ambitious growth rate of nearly 6% and will rely heavily on private investment and on foreign assistance.

MINING IN BOTSWANA is expected to help boost the country's economic growth rate as reflected in the National Development Plan for '68-73. Above, loading operation at Moshaneng mine at Kanye.

Financial viability is Botswana plan's most urgent goal

Mining industry may boost planned 6% growth rate to as high as 10%

The Republic of Botswana has recently announced a new National Development Plan for the 1968-73 period.

The major objective of the plan is to make this two-year-old Southern African nation financially viable in as short a time as possible. An annual growth rate of 6% is targeted, although if mining developments occur as rapidly as some observers anticipate an annual growth rate of 10% is easily attainable.

The program envisages a total capital expenditure of slightly more than $96 million over the coming five-year period; through 1971, 67.4% of total capital expenditure will go to physical infrastructure, 19.7% to water resources, 6.5% for social infrastructure, and 3.5% to agriculture.

On the recurrent budget, total expenditure for 1968-71 is estimated at $55.7 million, with 30% allocated to general administration, 19.4% to physical infrastructure, 17% to agriculture, and 16.8% to social infrastructure.

The major single project anticipated under the plan is the Shashi Complex, which includes the development of several copper and diamond mines, salt and soda ash deposits, and associated industrial complexes. The total cost for the physical infrastructure of this project alone is tentatively estimated at $49 million. The plan also calls for substantial expenditure on telecommunications, systematic improvement of airfields, pilot irrigation schemes, construction and improvement of the road network, and expansion of power generating facilities.

Private interests encouraged

Another key element of the program is the encouragement of private enterprise and foreign investment. To this end, the government intends to consult with private interests on economic matters through biannual meetings of the National Economic Advisory Council. In addition, the government is planning to establish a Botswana Development Corporation which will be willing to enter into joint partnership with private investors, or to assist private firms through its credit facilities.

S. Africa market grows

Import expansion to center on capital goods, where U.S. has competitive edge

As the South African economy continues to swing upward good opportunities should be created for U.S. exporters to sell more, according to the semi-annual Economic Trends Report from the U.S. Embassy in Pretoria.

Much of the import expansion that is expected to take place should be in the area of capital goods where the United States often has a competitive advantage. Capital goods lines in which greater effort should be particularly rewarding include accounting machinery, packaging and folding machinery, and electrical measuring and control equipment. Some promising lines in the fields of consumer goods and raw materials are synthetic fibers, tools and household appliances.

The U.S. share of the South African market in 1967 was 16.4%. This represented a 1% drop from 1966 and was almost 2% less than the 1965 level of 18.2%. The U.S. share had risen from 16.1% in 1962 to 18.3% in 1964.

Over the 1962-67 period, the share of the United Kingdom, which is South Africa's most important source of imports, fell steadily from 29.6% to 25.2%. Proportionately large gains were scored by the Germans and the Japanese. Most other nations approximately maintained their shares.

A number of special factors beyond the control of U.S. suppliers affected U.S. market penetration. They included weather conditions, concentration of aircraft purchases in single years and changes in the composition of imports as a result of import substitution.

Aggressive competitors

Another variable that entered the market share equation is the agressiveness of other nations in promoting trade with South Africa and providing attractive financing terms. It is difficult to assess the impact of this factor. The French have been very active in the trade promotion field and have become South Africa's principal supplier of arms, but the French market share has not improved.

On the other hand, hard selling by the Japanese and the Germans has met with great success, partly at least because they are able to offer a wide variety of products at relatively low prices. Also vigorous British trade promotion efforts in the last year have apparently paid off since the British share of the market now seems to be rising.

Trade statistics for the first nine months of 1968 indicate that the performance of U.S. exporters in the South African market is improving. The U.S. market share for 1968 is likely to be in the neighborhood of 17.4%.

Emphasis on growth

The relaxation of South Africa's anti-inflationary measures, which have had a contractionary effect on the economy, partly reflects a decision to put greater emphasis on economic growth. Real GNP is expected to rise by a healthy 5% in 1968, but this is slower than the 7% achieved in 1967. It is also less than the 6.5% average for the period 1964-1967.

Agriculture has been a major cause of the slower growth in 1968. The contribution of agriculture to gross domestic product, which rose 31% in 1967 because of very favorable weather conditions, should fall slightly this year. Growth in other industries is apparently proceeding faster than in 1967.

Most components of South Africa's balance of payments have shown favorable trends in 1968, although difficulties in marketing gold have presented a problem.

A counterpart of diminished domestic demand has been decreased demand for imports. Imports in 1968 should total roughly $100 million less than the previous year. At the same time, exports have continued their rapid expansion. One reason for sound export performance has been the large exportable surplus of agricultural products carried over from the record harvests of 1967. Slack conditions at home have also made export markets more attractive for manufacturing firms. Lastly, the government has stepped up its trade promotion activities.

Sound performance in the merchandise trade field has been matched by an improvement in the service and transfer account. Net service and transfer payments are expected to decline from their 1967 level of $400 million to around $360 million. Increased port receipts have played a large part in this improvement. They have resulted from increased use of the Cape Route because of the closure of the Suez Canal.

During the first six months of 1968, $220 million worth of long-term capital flowed into South Africa. The comparable figure for all of 1967 was $155 million. Much of the inflow early in 1968 represented investment in gold shares and other equities. This was precipitated by speculation against key currencies which has now largely abated. The inflow for all of 1968 should, however, go over the $300 million mark.

Total gold production in 1968 should be slightly below that of 1967, which was valued at $1,070 million at $35 per ounce. Except for a negligible amount used by domestic industry, all of this gold is sold to the South African Reserve Bank. Under traditional accounting procedures, it is then counted as an addition to monetary reserves.

On this basis, South Africa's balance of payments would show an overall surplus for 1968 in the neighborhood of $485 million. To understand the balance of payments situation presently facing the Republic it is necessary, however, to examine the gold marketing situation.

Under the decisions reached in Washington last March by the former gold pool countries, newly mined gold was expected to be sold on a free market like any other commodity and not added to monetary reserves. South Africa made small experimental sales on the free market in May and June but thus far has avoided substantial free market sales for fear of depressing the free market price.

Some gold has been sold to the International Monetary Fund and to monetary authorities, but total sales have been insufficient to cover South Africa's requirements for international settlements. Under the circumstances, despite the existence of a large balance of payments surplus (as calculated under traditional methods) reflecting in part a substantial inflow of long-term capital, South Africa has presumably found it necessary to enter into special arrangements in order to balance its international payments. In this connection, it may be noted that there has

been an abnormal recorded inflow of short-term capital.

Despite gold marketing problems, South Africa has had a relatively easy time balancing its international payments in 1968. Next year, however, the Republic will probably encounter more serious balance of payments problems.

As the domestic economy swings upward, the demand for imports should increase rapidly. In particular, a high volume of imports will be induced by rising inventory accumulation and increasing fixed investment, both of which traditionally involve large import components. Unless import controls are tightened, imports should increase more rapidly than exports, which are expected to grow at a rate of around 6%.

Net service and transfer payments should also rise. Port receipts will be at roughly the same level while freight and insurance payments will be augmented with increasing imports. Upward trends in payments for travel and in the remittance of profits will probably continue.

May curb imports

In addition to these unfavorable trends in the current account, barring renewed speculation against the pound and the dollar, the amount of long-term capital flowing into the Republic in 1969 should be considerably less than in 1968. If satisfactory gold marketing arrangements are not worked out it may be necessary, therefore, for South Africa to strengthen import and exchange controls in order to keep its payments requirements within tolerable limits.

Since 1964, inflation has been one of the principal preoccupations of economic policy makers in South Africa. They have utilized a mix of monetary and fiscal restraints, direct controls and liberalization of import restrictions to contain inflationary pressures. As a result of these measures, consumer prices rose only moderately in the last year, and the South African Government has relaxed its anti-inflationary campaign somewhat.

First, on the monetary side, the bank rate was reduced 0.5% in August. At the same time, a lower yield pattern was set on short-term government obligations. Subsequently, there was a downward adjustment in other interest rates. In addition, the ceiling imposed on bank credit outstanding was raised.

Second, substantial wage increases for civil servants were announced in September. They will take effect in April. This will help to induce wage increases in private industries and could lead to a new wage-price spiral. In the motor industry, for example, a new wage agreement calling for a minimum 10% increase seems likely.

Third, the green light was given for construction of a $70 million aluminum smelter at Richards Bay in Natal. Earlier, this project had been postponed in order to cut down government expenditure. A number of other postponed projects, including a third mill for the South African Iron and Steel Industrial Corp. (ISCOR), are apparently also going ahead.

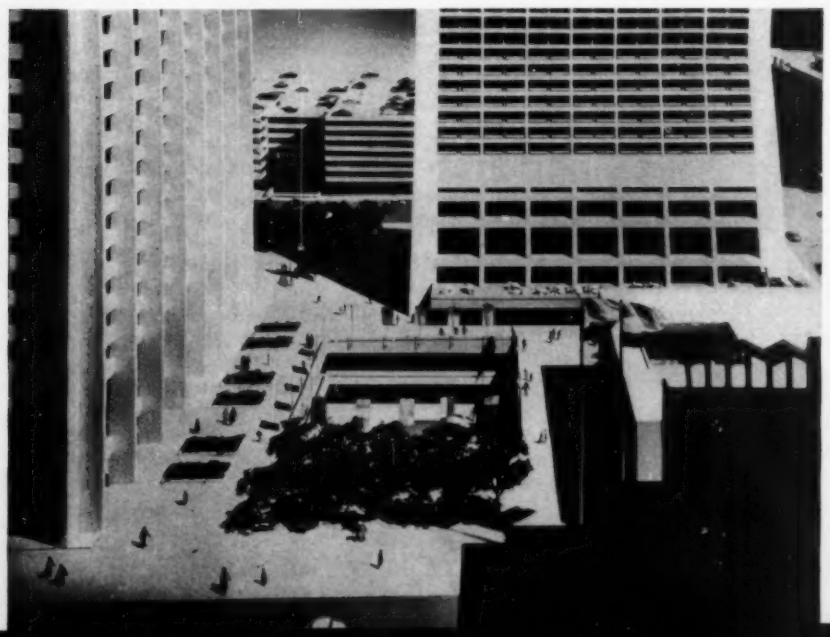
Finally, the government's savings campaign, under which treasury bonds had been offered at very attractive interest rates and with tax concessions, with the objective of mopping up excessive consumer purchasing power, was terminated.

Although growth is an important objective, care will have to be taken in easing the battle against inflation. Many signs point to a new expansionary phase in which inflation would re-emerge as a major problem.

- Consumer prices increased at an annual rate of 2.4% in the first seven months of 1968, compared with 0.3% in the last half of 1967. Wholesale prices also began to edge upwards.
- Stocks were run down by a record amount in the second quarter of 1968, indicating that the trough of an inventory cycle has probably been reached. Renewed inventory accumulation could be an important leading factor in a new upswing. The relaxation of anti-inflationary measures should augment the buildup of inventories by making businessmen more optimistic about future sales prospects.
- Both fixed investment by government authorities and current government expenditure climbed in the first six months of 1968. Further increases in expenditure can be anticipated because of wage increases in the public sector and the initiation of large new government construction projects.
- The index of registered unemployment, which has been drifting downward, shows increasing pressure on the Republic's limited resources of skilled labor.
- The South African economy is now extremely liquid, partly because of a substantial inflow of foreign capital. Bank credit outstanding will probably be increased further as a result of the downward adjustment in interest rates and the loosening of credit ceilings.
- Businessmen are optimistic despite relatively low average profits in recent months and the fact that expansion is limited somewhat by a number of government controls. The Bureau of Economic Research of the University of Stellenbosch projects a 9.3% increase in private fixed investment in 1969. This component of gross domestic expenditure has been declining since mid-1967.
- Important indicator series, such as building plans completed, motor vehicle sales and real estate transactions have begun to show an upward trend. There are also clear signs of recovery in the iron and steel and basic engineering industries, which have generally experienced depressed conditions in 1968.

When taken together, the above trends indicate a sharp upswing in gross domestic expenditure in 1969. University of Stellenbosch forecasters expect GDE to increase 12.3% next year compared with an estimated 5% rise in 1968. Gross domestic product at current prices is unlikely to grow by much more than 9%. Unless the government's anti-inflationary campaign is retightened, an inflationary gap may therefore open up.

SEVERAL POSTPONED PROJECTS HAVE GOTTEN THE GO-AHEAD, as South Africa begins to relax its anti-inflation drive. New York architects designed this model of Carlton Center Plaza in Johannesburg.



GATT report sees 8% increase in world exports in 1968 as major industrial economies shake slumps

Annual trade evaluation shows substantial gains over 1967; developing nations' trade deficit also expected to improve

World trade is recovering from the growth slowdown caused by recessions in several large economies during 1967, according to the just-released annual report on international trade by the General Agreement on Tariffs and Trade.

The GATT estimates the 1968 expansion in world exports at about 8%, against only a 5% growth in 1967.

Exports by industrial areas should develop by about 9%, and imports at probably much the same rate. This balanced situation in 1968 in the industrial areas as a whole will, however, be less uniform at the level of smaller areas: a trade surplus can be expected for the EEC which will offset the trade deficit of the EFTA and possibly even of North America, according to the GATT.

The economic situation is too uncertain for any reliable forecasts to be made with respect to probable growth of exports by individual countries. However, the report expects that the export growth will be above the regional average in Japan, the Benelux, the Federal Republic of Germany and Italy, and that it will be below that average in the United States, France and the United Kingdom.

A Commerce Department specialist indicates that, while this estimate might have been valid regarding the United States a few months ago, recent events have improved prospects for U.S. exports substantially and the GATT estimate is no longer realistic for this country.

In other areas

Prediction of trade developments in other areas, particularly the developing ones, is somewhat more uncertain at this stage, according to the report. It would be reasonable to expect, however, that the acceleration of trade in general will also benefit the developing countries. It seems at the moment that the annual growth rate of their exports will be somewhere between 6 and 8%, compared with 2.5% in 1967. The import growth is likely to be more moderate, probably 4-6%; thus the developing nations' trade deficit, which increased substantially in 1967, should decline again.

In the past, when the growth of developing countries' exports suffered a significant setback, the growth rate of their imports remained depressed also in the following year.

Global exports climb

The resumption of economic growth in the industrialized countries was reflected in world trade. Global exports in the first six months of 1968 can be estimated to have grown by approximately 7% from the level recorded in the corresponding period of the preceding year. This can be considered a significant acceleration as an increase of only 4% was recorded in the second half of 1967 (as against 7% in the first six months of 1967). The expansion of foreign trade was felt in all areas, and particularly in the developing countries.

Exports from industrial countries increased by nearly 8%, compared with only 2.5% in the second half of 1967, the report points out. The vigor of this expansion derived mainly from the import demand of the United States and Japan. Total imports by the United States soared by 21%, and those of Western Europe by almost 30%. This large increase in U.S. imports accounts for more than 40% of the total increment in exports by the other industrial countries, which increased by more than 8%.

On the basis of preliminary data, a vigorous new expansion appears to have occurred in exports by developing countries, especially from the second quarter of 1968 onwards. According to estimates by the secretariat, these countries' exports increased by 7 to 8% in the first six months of 1968, as against less than 2% for the first six months of 1967 and 4% for the second half of that year. Imports, on the other hand, tended to develop at a fairly moderate rate, probably less than 5%, so that the trade deficit, which had increased in 1967, tended to decline appreciably in 1968.

The three main economic changes in the developing countries in 1967 were a substantial increase in agricultural production, an appreciable slowing down in expansion of industrial output, and a sharp decline in the growth rate of export earnings. In that year, agricultural production rose about 7%, mining and manufacturing output 4% (7% in 1966), and manufactured exports 6% (20% in 1966).

The report states that compared to 1958, the most recent recession was relatively mild. For the year as a whole, the recession in the Federal Republic of Germany, the country that was most severely affected, caused only a halt in the growth of national product; it was, however, the first interruption of growth since 1951. In the United States, a recession in the first half of 1967 halved the annual growth rate of gross national product from 5 to 2.5%. It is also worth noting that the relatively widespread [of] recessive tendencies in 1967 were, essentially, the result of a coincidence of independent causes rather than a single world-wide impulse.

The speed with which the recessions were overcome was due to two circumstances, according to the GATT. First, in the strict sense of absolute production declines, they remained geographically limited while two others among the more important economies, the Japanese and the Italian, maintained a vigorous expansion, the former having even accelerated its growth from the preceding year.

Growing confidence

The second important factor that prevented the recessions in the Federal Republic of Germany and in the United States from becoming cumulative and spreading to other countries was the remarkably prompt response of these two economies to internal policies designed to promote resumption of economic activity without affecting the stability of the domestic price level. This factor reflects not only the greater precision with which national administrations have learned to formulate and apply appropriate stabilization policies but also, and perhaps primarily, the fact that the private sector has developed a confidence in these policies and makes them a part of its own calculations.

The report said that the existence of a liberal trading system was an important condition for the success of these policies. National economic policies, having reduced both the amplitude and the duration of downward swings in economic activity, have thereby also greatly reduced the possibility of national recessions becoming generalized.

Indonesia clarifies investment policy for non-petroleum mining

Three ventures already approved, eleven more being negotiated; investors are granted contracts, rather than concessions of leases

An interpretation of Indonesian mining policy has recently been issued by the Chairman of the Committee in Charge of Foreign Participation in Mining, Sutarjo Sigit, to assist and encourage the numerous firms interested in mining ventures.

While past foreign investment in minerals has been chiefly in petroleum, the investment incentives now being offered by the Indonesian Government have attracted potential investors in other minerals. Since the Foreign Investment Law was enacted in January 1967 (Law No. 1, 1967), three foreign investments in minerals other than oil have been approved with a total potential investment of $160-$200 million. Eleven other agreements are being negotiated, three of which will probably be concluded before the end of 1968, with an additional potential investment of up to $175 million.

Basic conditions for investments in minerals other than oil are stipulated in the Foreign Investment Law and in a new mining law (Law No. 11, 1967, which replaces Law No. 37, 1960). Dr. Sigit points out that investment is on the basis of a contractual arrangement, rather than through the granting of concessions and leases. The company is appointed sole contractor to the Government to conduct the exploration, development, mining, processing and marketing of the minerals in the contract area as specified in the agreement, and to perform all related activities. The company has control and management of all its activities under the agreement and assumes all of the risks.

The company may apply on a priority basis for the right to mine, process, and market any other minerals which it may encounter in the course of its work, on terms to be agreed upon with the Government, except to the extent that such rights are already held by others.

Work stages of the following duration are permitted: general survey, 12 months (with a possible 12-month extension if needed); exploration, 36 months (with a 24-month extension); evaluation, 12 months; construction, 36 months; and operation, 360 months. The operation period is also subject to renewal under such terms as may be determined by mutual agreement. A trial operation period of a maximum of six months may precede the actual operating period.

The company must process its minerals to a maximum extent in Indonesia prior to export.

During the general survey and exploration stages the company may retain its foreign corporate status. However, prior to the beginning of construction and development work, it might organize a new company under Indonesian law to which it must transfer all of the rights and obligations originally conferred.

Must demonstrate ability

The company must demonstrate its ability to finance the project and must make an advance payment or post bond as a security for performance. While the company has sole responsibility for financing the project, it must permit Indonesian capital participation in the enterprise by offering shares of stock to Indonesians in rupiah at fair market prices in each year following the commencement of commercial production. Training of Indonesian employees in all phases of the operation is required.

The company must pay the Government land rent for the contract area; royalties for the minerals produced; corporation taxes on annual profits; sales taxes applicable to purchases and sales in Indonesia; documentary stamp duty; and a tax on transfer of ownership of motorized vehicles and shops.

Land rents are assessed annually at the rate of $0.005 per hectare during the general survey period; $0.10 per hectare during the exploration, evaluation and construction period; and $2.00 per hectare for primary (lode) and alluvial deposits or $1.00 per hectare for lateritic and other extensive surface deposits during the operation period.

While most new investments are exempt from corporation tax for five years under Law No. 1, 1967 (Article 15a, paragraphs 1 and 3), mining companies are not exempted, although they pay the tax at a reduced rate. According to Presidential Instruction No. 18, 1968, for the first 10 years of operation the corporation tax for non-oil mining enterprise is 40% for tin; 37.5% for nickel, cobalt, and bauxite; and 35% for other minerals, including copper, lead, zinc, manganese and sulphur. For the duration of the contract period, the rate is 48% for tin; 45% for nickel, cobalt and bauxite; and 42% for other non-oil minerals.

Additional tax concessions may be granted in cases of large investments which will contribute significantly to economic development. As in the case of other investments, mining enterprises are

Approve 84 licenses

The Indonesian Government recently announced that 84 foreign companies have been given licenses to operate in Indonesia under its 1967 Foreign Investment Law (excluding investments for foreign banks and oil companies). The total authorized capital outlay of these companies amounts to $342 million, with U.S. sources accounting for about one third.

The major portion ($159 million) will be invested by three companies in mining operations, while the balance will be mainly in the following areas: forestry operations ($79 million), manufacturing ($67 million), fisheries ($12 million), and communications ($9 million). Twenty-six foreign companies will make straight investments involving $252 million, while 58 will participate in joint enterprises with capital investment amounting to $90 million. Forty-four foreign companies will operate in Djakarta, 11 in other parts of Java, and 29 in other areas.

About 30 oil exploration contracts have been or will soon be granted on a production-sharing basis. Capital outlay involved in these operations to date amounts to about $50 million, thus bringing the total new foreign capital outlay authorized since 1967 to some $400 million.

exempt from the payment of import duties on machinery and equipment needed for the project.

Potential foreign investors in mining should first apply to the Minister of Mines, Republic of Indonesia, 3 Menteng Raya, Djakarta, Java. The Ministry is assisted by a technical Committee in Charge of Foreign Participation in Mining, which deals with all mining investment except oil and gas. Potential investors interested in more information on the geology and mineral resources of Indonesia should contact the Geological Survey of Indonesia, 57 Diponegoro, Bandung, Java.

Agreements reached at the Mining Ministry level require further government approval before they are final. In the case of "strategic minerals" such as tin and nickel, parliamentary approval is also required.

The above changes and additions should be made in OBR 67-97, "Summary and Texts of Indonesian Foreign Investment Legislation," December 1967.

Norwegians to open London trade center next spring

A Norwegian Trade Center is to be opened in London in the spring of 1969, according to an announcement of the Norwegian Export Council, a government supported organization. It will not only provide space for exhibitions but also house the offices of the Export Council.

The new center, to be located in Pall Mall, is designed to attract professional buyers such as importers, agents, wholesalers and retailers. Sales promotion activities aimed at the general public will be organized outside the Trade Center.

Pakistan estimates show breakthrough in wheat output

Wheat production in Pakistan during agricultural year 1968-69 is estimated at about 6.38 million long tons and acreage at nearly 15 million acres, according to a Government of Pakistan release.

These totals represent a breakthrough in terms of an increase not only in production (47.4%) and acreage planted (11.9%) but also in output per acre.

The rise in productivity is attributed to the use of the new high-yield Mexi-Pak seed. According to the release, the 2.3 million acres planted with Mexi-Pak yielded an average of 34.6 bushels per acre compared to 12.3 bushels for local varieties.

Wheat is Pakistan's second most important grain crop, rice production being double that of wheat during the past year. The Pakistan press reports that the Government has set a production target of 7 million tons of wheat in 1968-69, with 5 million acres to be sown to Mexi-Pak.

Illustrative of the stress being given to the agricultural sector in Pakistan is the recent press announcement that a 2-year compulsory course in agriculture, including practical field work, would be introduced in 600 rural high schools in West Pakistan during the next academic year.

Canadian Government export agency reports sharp gain

Almost $298 million worth of exports of Canadian goods were negotiated during the fiscal year ended Mar 31 by the Canadian Commercial Corporation, according to its recently released annual report. This total was $93 million above the 1966/67 business.

The Corporation is the Canadian Government's official contracting agency for goods and services when other countries and international agencies wish to deal on a government-to-government basis.

During the year about 2,500 contracts were awarded to the Corporation by foreign governments and international agencies. In addition, 500 requisitions were received from the External Aid Office of the Canadian Government.

Representative of the wide range of Canadian goods and services exported through the Corporation are:

Aerial photographic surveys, Arctic clothing and equipment, telephones and exchange equipment, sheet and bar steel, wire rope, aircraft and aircraft engines, computer methods studies, high altitude meteorological research rockets, underwater cameras, aircraft crash position indicators, drugs and medicines, bakery equipment, bridge construction materials, major components and ancillary equipment required for hydroelectric power projects and ship deck sections.

French end import quotas on autos, buses and trucks

A notice to importers, published in the French *Journal Officiel* of Oct. 30, announced the removal as of Nov. 1 of quotas on imports of passenger automobiles, buses and trucks (French tariff No. 87-02). These restrictions had been imposed temporarily in the wake of the May-June general strike in France. They were scheduled to be discontinued as of Nov. 1 (INTERNATIONAL COMMERCE, July 8).

Canada may raise tariff on polyethylene resins

Canada's Tariff Board will begin public hearings on January 13 on a request by Finance Minister E. J. Benson for a review of the import duties on polyethylene resins.

The Board had recommended that the 7½% British Preference and Most-Favored-Nation rate of duty on this product remain unchanged. Canadian producers have requested that the duty be 10%, the rate established in the Kennedy Round negotiations. They contend that the information before the Board when it made its recommendation is now quite out of date. They asserted, in particular, that the size of plant required for efficient production has increased significantly, and that, more generally, there has been a drastic change in the demand and supply situation for polyethylene both in Canada and abroad. Accordingly, it is the industry's view that the factors on which the Board based its recommendation are no longer relevant.

Pending the results of the review, it is the Government's intention to implement the Board's recommended rate of 7½%, effective Jan. 1, 1969, by the introduction of new tariff item 93902-3: polyethylene type polymerisation and copolymerisation products without admixture other than an agent necessary to prevent caking; aqueous emulsions, aqueous dispersions or aqueous solutions, without other admixture.

Briefs or submissions by interested parties, including United States exporters, should be filed in writing with the Secretary, The Tariff Board, Ottawa 4, Ontario, not later than Dec. 6.

Austria rescinds reductions of duties on starch, juices

The Austrian Finance Minister has eliminated the following two items from the list of products for which Austria had voluntarily and temporarily reduced customs duties.

- Juices of fruits of oranges, mandarines, clementines, and lemons containing added sugar (Tariff No. 20.07 B4(b));
- Pre-gelatinized starch (ex Tariff No. 35.05 A).

The introduction of the regular duty rate of 11% for fruit juices will primarily affect deliveries from Israel and Yugoslavia which accounted for 70% and 12% of 1967 imports. The U.S. share, valued at about $212,000, amounted to less than 3%.

Licensees sought to manufacture varied German, Swiss, Dutch, British products

U.S. companies offered presses, suntan lotion, fastening systems, friction sawing devices, tool grinding and lapping machines

Manufacturers in West Germany, Switzerland, The Netherlands and Great Britain offer licensing opportunities to U.S. companies to produce and distribute their products in the U.S.

Products offered are pneumatic presses, suntan lotion with special plastic package, fastening systems for the construction industry, friction sawing machines and tool grinding and lapping machines.

For additional information and the names and addresses of the firms, write the Office of International Investment, code 874, Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C. 20230, referring to the appropriate File number assigned to each opportunity listed below.

• A West German manufacturer is seeking a U.S. licensee to produce its pneumatic presses and riveting machines.

The presses are in five basic models with sensitive control system which provide a wide selection of working pressures from 200 to 18,000 lb.

Several patents cover the presses which are used particularly in the electro-technical and the precision instruments industries. The manufacturer claims the machines have a great number of advantages, for example: precise ram control, silent operation, versatility, and modern compact design. The manufacturer further states that the presses feature completely new technical developments and that because of high efficiency, low maintenance cost and economical price, the presses have been sold with great success in Germany and abroad.

The company would also consider a cross licensing arrangement. **File 1683.**

• A Swiss manufacturer and distributor of cosmetics and pharmaceuticals is offering manufacturing and rights in the United States for its suntan lotion and its novelty dual re-fill container.

The manufacturer claims his sun cream insures and maintains a rapid tan, protects and hydrates any skin, at sea level or at higher altitude.

The plastic package consists of a 14-oz. family container on which a removable individual 3.5 oz. container is affixed. The latter bottle can be refilled easily by means of a collapsible dispenser mounted in the cap of the larger family container.

Both the trademark and the set of combined containers are protected in several countries, including the United States. **File 1684.**

• A Dutch company is seeking a U.S. licensee for its fastening system which is covered by patent in the U.S.

The system is designed for the fast fixing of corrugated aluminum, steel and plastic sheeting. It consists of steel studs, nylon flanged nuts and polyethylene caps. The pulling-out of strength ranges from 900-1800 lb., depending on the thickness of the steel in which they are placed. The pulling-off strength of the nut from the bolt is approximately 400 lb. immediately after placing, and still greater after the nut has set.

The sales area is to include the Western Hemisphere. **File 1685.**

• A British machine tool company is offering its friction sawing machine for manufacture in the U.S. under licensee agreement. These friction saws are principally intended for cutting angles, channels, beams, tubes, plates and profiles, either at 90° or mitering, even notching and splitting.

All machines are built on rigid, fabricated steel frames; switchgear is comprehensive, robust and you can see it work. Guards were designed in conjunction with the highest engineering standards in Great Britain. **File 1686.**

• A British firm is seeking a U.S. licensee to produce its tool grinding and lapping machine.

This machine, which is designed for rapid and efficient grinding and fine lapping of carbide and high speed steel lathe, shaper and planer tools, is simple to operate. The machine incorporates an oscillating table which aids in elimination of wheel clogging or grooving and promotes a flatter and finer finish to the tool. The grinding is done on the face of a wheel and not the periphery; therefore, hollow grinding is prevented.

All models are basically similar, mounted on heavy cast iron base. Components are designed for simple and accurate manufacture in quantity on unsophisticated machinery. The cabinet base for all models is of fabricated steel and for machines with coolant equipment, the pedestal contains the coolant. This insures freedom of movement on all sides of the machine. **File 1687.**

Swiss firm wants license to make instruments, tools

A Swiss manufacturer of screw machine products and watch parts seeks to diversify its production in the field of precision instruments, tools, and small to medium specialty machinery under licensing arrangements with U.S. firms.

The firm, established in 1919, employs 400 persons. In addition to offering its manufacturing talents to U.S. companies, the firm would be in a position to efficiently market such products in Switzerland and Europe.

Write: Degen & Cie S.A., 4435 Niederdorf, Baselland, Switzerland. WTD.

Israel firm seeks license to produce polyester panels

A Tel Aviv engineering and architectural firm is seeking licensing arrangements with U.S firms to provide technical know-how for the manufacture of decorative glass-fibre reinforced polyester panels. These panels are of the type with a shallow relief cast surface containing a high percentage of metal powder or ceramic glaze, laminated to particle board or plywood.

Write: N. Intrater & Associates, Consultants and Trustees, Ltd., P.O. Box 21016, Tel Aviv, Israel. WTD.

U.S. ties sought by Mexican office supply firm

A Mexico City manufacturer and distributor of a broad range of office and school supplies, including accounting books and paper products, would consider proposals leading to its acquirement by a U.S. company.

Firms desiring additional details concerning this opportunity should **write:** Mr. Luis Pablo Bustamante, Paseo de la Reforma 122-7-B, Mexico 6, D.F. WTD.

Australian companies look for U.S. links with three proposals

Licensing and joint venture arrangements with U.S. manufacturers are sought by three Australian firms for products varying from water chillers and condensers for use in industrial refrigeration and air conditioning to products in the metal stamping field.

● **A joint venture with a U.S. engineering/construction company** is sought by an Australian firm specializing in civil, mechanical and electrical engineering.

A U.S. firm is offered a one-third to one-half ownership in the Australian concern in return for a capital investment and the supply of technical know-how.

The Australian firm, which has been involved as a sub-contractor on several major projects has worked on petrochemical plants, underground pipelines, railroad construction, road building and various structural projects.

Write: Thomas Coffey Holdings Pty. Ltd., 108-110 Lilyfield Road, Rozelle, New South Wales 1039, Australia.★ WTD.

● An Australian company is seeking licensing arrangements with U.S. firms **to manufacture and distribute products in the metal stamping field or to manufacture tooling for use in presses.**

The company is presently one of the major motor vehicle assemblers and commercial vehicle body builders in Australia. The firm also does a considerable amount of contract tool and die making.

The company's major activity, the stamping or pressing of metal, involves a full range of presses including presses with a 400 ton capacity. It states that it can undertake a considerable volume of additional work with its existing equipment.

Write: Pressed Metal Corp. Ltd., Cosgrove Road, P.O. Box 41, Enfield, N.S.W. 2136, Australia. WTD.

● **Licenses to manufacture water chillers and condensers used in industrial refrigeration and air conditioning** are sought by an Australian producer of cooling equipment. The firm is also interested in acquiring pre-cooler, intercooler, after cooler, oil cooler and heat exchanger technologies for use in chemical and petrochemical production systems.

Although a relatively small concern, the Australian company works through 16 sub-contractors in its manufacturing operations, and has recently added advanced electronic equipment and is making a serious effort to expand its capacity for servicing the domestic market.

Write: Heat Pump Overseas Pty., Ltd., 28 Stanley St., Peakhurst, New South Wales, Australia. WTD.

British concerns want U.S. licenses

Licensing arrangements with experienced U.S. manufacturers are sought by five British firms for products varying from elevators to household plastics. The individual proposals are:

● A British company presently manufacturing various types of industrial fasteners **wishes to expand its product line** in the United Kingdom under a licensing arrangement with an American firm.

The firm, established in 1905, has 180 employees and states that it is prepared to install additional plant and machinery for the manufacture of new products in the industrial fastener field.

Write: Isaac Jackson (Fasteners) Ltd., Hawkshead, P.O. Box No. 2, Glossop, Derbyshire, England.★ WTD.

● **A license to manufacture a new product allied to electric or electro-hydraulic elevators** is sought by a British firm. The company is an important producer of electric and electro hydraulic passenger, materials and service elevators. It employs approximately 750.

Write: Evans Lifts Ltd., Prospect Works, Abbey Lane, Leicester LE4 5QX, England. WTD.

● **Licenses to manufacture household plastic products such as garbage containers and vegetable racks** are sought by a British plastics firm. The concern's product line includes plastic cosmetic container parts, bottles, and jars. It also produces aerosol components and other custom made plastic injection mouldings. The firm handles its own sales and distribution operation.

Write: Cope Allman Plastics Ltd., Fitzherbert Road, Farlington, Hampshire. WTD.

● A British manufacturer of stainless steel pipe, fittings, flanges and hollow blades for aircraft turbines seeks licenses to make valves. The firm is interested in the production of ball, gate, butterfly, check, globe and precision controlled valves.

The Birmingham concern is affiliated with a large British holding company whose member firms produce and distribute motor vehicles, aircraft jet engines, appliances and equipment for the chemical, petrochemical and nuclear industries.

Write: Wilmot Breeden Truflo Ltd., Westwood Road, Witton, Birmingham 6, Warwickshire.★ WTD.

● A British designer and manufacturer of scientific equipment, electrical control gear and apparatus utilized in vacuum processes seeks licenses.

The firm is interested in the **production of encapsulators, control gear, instruments and electro-mechanical equipment.** It has about 30 employees.

Write: S & J Engineering (Henley) Ltd., 22/24 Market Place, Henley-on-Thames, Oxon.★ WTD.

Haitian firm wants to make embroidered dresses

A Haitian manufacturer of women's embroidered dresses seeks license arrangement with a U.S. firm. The U.S. firm would supply the material for finishing and re-export.

Write: Atelier de Broderie Jacqueline, Carrie Devieux, Place d'Italie, Port au Prince, Haiti. WTD.

Investment Assistance

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations published in the Federal Register for Jan. 3, as amended.

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. A (*) following the name of the foreign firm indicates that additional information is available from the above address.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington, D.C. 20230 or the nearest Department of Commerce Field Office.

World Trade Opportunities Continued through page 35

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. These numbers refer to the Standard Industrial Classification (SIC) Manual, which is available for $4.50 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

The listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the Comprehensive Export Schedule or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

- indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the International Liaison and Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Sales Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless a desire for an agency agreement is expressed.

205 Bakery products

NETHERLANDS—Biscuits, brownies, similar types of cakes. Direct purchase or representations for Europe. Mr. A. Dolmans, Th. Swart & Zn. N.V. (manufacturer, exporter), 31-39 Prinsenstraat, P.O. Box 85, Zaandam. WTD 10/68.

209 Food preparations

SWEDEN—Soybean oil, fish oil. Karlshamns Oljefabriker, AB (manufacturer, exporter), P.O. Box 71, S-292 00 Karlshamn. WTD 10/68.

221 Broad woven fabric mills, cotton

ECUADOR—Cotton damasks, upholstery types. Swatches and/or catalogs requested with offers. Requests replies in Spanish. Importadora Comercial Armas S.A. (importer, distributor), Edificio Armas, Calle Vargas, esq. Esmeraldas, Quito. (Casilla Postal 620). WTD 1/68.

MALAWI—Colored cotton textiles, lower price grade. Prices in £ sterling requested. S. N. Barot & Co. (wholesaler, retailer), P.O. Box 3, Mzimba. WTD 10/68.

224 Narrow fabrics, other smallwares mills

AFGHANISTAN—Fabrics: rayon, nylon. Abdullah Co., Ltd. (importer, exporter, wholesaler), P.O. Box No. 449, Kabul. WTD 6/68.

SWEDEN—Florists' ribbons. AB Fredrik Gedin (manufacturer, importer, wholesaler), Rosenbergsgatan 11, S-252 54 Halsingborg. WTD 10/68.

229 Textile goods

ECUADOR—Plastic print materials for manufacture of infants' waterproof pants; plastic upholstery materials. Direct purchase and agency. Requests replies in Spanish. Importadora Comercial Armas S.A. (importer, distributor), Edificio Armas, Calle Vargas, esq. Esmeraldas, Quito. (Casilla Postal 620). WTD 1/68.

236 Girls', children's, infants', outerwear

FRANCE—Infants' outerwear such as jump suit sets, stretch slacks, snow suits, corduroy creeperalls, pram suits. Direct purchase and agency. Etablissements Bachelier (manufacturer), 26 Manthes. WTD 9/68.

251 Household furniture

MALAWI—Aluminum and canvas veranda, garden furniture. Catalogs, £ sterling prices requested. S. N. Barot & Co. (wholesaler, retailer), P.O. Box 3, Mzimba. WTD 10/68.

264 Converted paper, paperboard products

TAIWAN—Wallpapers. Direct purchase and agency. Li Chong Co., Ltd. (importer, exporter), 3rd Fl., 30 Section 2, Chungshan North Rd., Taipei. WTD in preparation.

272 Periodicals: publishing, printing

BRAZIL—Magazines on medicine, odontology. Interested in special agreements on copyright for translation. Direct purchase and agency. Ezequiel Feldman-Editora Cultura Medica (importer, distributor), Av. Rio Branco, 91 7° andar salas 4/6 Rio de Janeiro ZC-21 GB. WTD 9/68.

273 Books

BRAZIL—Books on medicine, odontology. Interested in special agreements on copyright for translation. Direct purchase and agency. Ezequiel Feldman-Editora Cultura Medica (importer, distributor), Av. Rio Branco, 91 7° andar salas 4/6 Rio de Janeiro ZC-21 GB. WTD 9/68.

281 Industrial chemicals

● **INDIA**—The Government of India is inviting bids for the following items:

Urea, bagged 150,000 metric tons. Tender #FP4(12)P11-5(86)/68.

Ammonium sulphate, bulk, 300,000 metric tons. Tender #FP4(13)P11-5(87)/68.

Bid deadline Nov. 27.

Tender documents containing specifications and other conditions can be obtained from the India Supply Mission, 2536 Mass Ave., NW., Washington, D.C. 20008.

282 Synthetic materials

AFGHANISTAN—Rayon yarn. Abdullah Co., Ltd. (importer, exporter, wholesaler), P.O. Box 449, Kabul. WTD 6/68.

FRANCE—Pharmaceutical raw materials; pharmaceutical preparations for human use; medicinal specialties; dietetic products, related lines. Direct purchase and agency. Laboratoires Pharmaceutiques Valmer (producer, exporter, dealer), Avenue des Fours-a-Chaux; 17- Marans, Charente-Maritime. WTD 10/68.

284 Soap, detergents, cleaning preparations, perfumes

IRELAND—Toilet preparations of all types. Direct purchase and agency. Victor E. Hanna Ltd. (manufacturer), North Road, Finglas, Dublin 11. WTD 10/68.

287 Agricultural chemicals

● **MALAWI**—Bids are requested for the following items to be delivered by October 1969. DDT, 75% W.P., 84,000 packages, 3-1/3 oz. each, required ASAP, with additional 180,000 packages, Sevin®, 85% W.P. or its equivalent, 140,000 packages, 3 oz. each, required ASAP, with additional 300,000, Morocide® acaricide 50% or its equivalent 168,000 packages, 3 oz. each, required ASAP, additional 36,000, Aphex 70® aphicide or its equivalent, 70%, 16,800 packages, 3/8 oz. each, required ASAP, with additional 36,000.

Tender #69-164, bid deadline Dec. 6. Secretary, Malawi Government Central Tender Board, P.O. Box 588, Blantyre.

Agricultural fertilizer. Quotes in £ sterling requested. S. N. Barot & Co. (wholesaler, retailer), P.O. Box 3, Mzimba. WTD 10/68.

301 Tires, tubes

MALAWI—Tires, tubes for automobiles, trucks, bicycles. Quotes in £ sterling requested. S. N. Barot & Co. (wholesaler, retailer), P.O. Box 3, Mzimba. WTD 10/68.

302 Rubber footwear

AFGHANISTAN—Rubber boots, overshoes. Abdullah Co., Ltd. (importer, exporter, wholesaler), P.O. Box No. 449, Kabul. WTD 6/68.

ECUADOR—Boots, rubber, or rubber soled fabric. Direct purchase and agency. Catalogs requested with offers. Requests replies in Spanish. Importadora Comercial Armas S.A. (importer, distributor), Edificio Armas, Calle Vargas, esq. Esmeraldas, Quito. (Casilla Postal 620). WTD 1/68.

306 Fabricated rubber products

MALAWI—Belting for maize milling, other machinery: 3″, 5″ widths, 200′ to 500′ lengths. Quotes in £ sterling requested. S. N. Barot & Co. (wholesaler, retailer), P.O. Box 3, Mzimba. WTD 10/68.

307 Plastics products

SWITZERLAND—Different kinds of plastic packing materials, especially in form of boxes, made of rigid foam; insulation and cushion materials made of foamed plastic; plastic doors for buildings; containers; novelties. Direct purchase and agency. Keller & Co. AG (exporter, agent), 5313 Klingnau AG. WTD in preparation.

317 Handbags, personal leather goods

NETHERLANDS—Cosmetic bags, all materials. Direct purchase and agency. Mesy (sales agent), 10 Cornelis ten Hopestraat, Midden Beemster. WTD 6/67.

324 Cement, hydraulic

● **BURMA**—The Myanma Export Import Corp. is accepting bids on the supply of 100,000 bags of A.P.I. Class B oil well cement for use at 6,000 feet or bottom hole temperature ranging from 120°F to 160°F. Bid deadline is Dec. 17.

Tender documents are available from the Construction and Building Materials Division, BDSA-645, Room 4813, U.S. Department of Commerce, Washington, D.C. 20230.★ (Telephone: 202-967-3602).

331 Steel mill products

MALAWI—Corrugated iron roofing sheets; steel, wire nails. Quotes in £ sterling requested. S. N. Barot & Co. (wholesaler, retailer), P.O. Box 3, Mzimba. WTD 10/68.

● **PAKISTAN**—Cast iron pressure pipes for laying 9″ diameter fresh water ship supply mains and 6 to 2″ diameter mains serving shore installations. Tender for the supply of cast iron pipes and specials for fresh water mains; bid deadline Jan. 6. Specifications may be obtained against £20 from Coode and Partners, 2 Victoria St., London, SW1 or the Engineer-in-Chief, Karachi Port Trust, Karachi. The C&F cost of the materials will be financed out of a $17 million IBRD loan #376-PAK for the Second Karachi Port Project Works. Copy of Tender notice available from the Iron and Steel Division, BDSA-669, U.S. Department of Commerce, Washington, D.C. 20230.★ (Telephone: 202-967-2364.)

343 Heating apparatus, plumbing fixtures

ECUADOR—Bathroom and plumbing fixtures, enameled iron, pressed metal. Catalogs requested with offers. Requests replies in Spanish. Importadora Comercial Armas S.A. (importer, distributor), Edificio Armas, Calle Vargas, esq. Esmeraldas, Quito. (Casilla Postal 620). WTD 1/68.

353 Construction, mining, materials handling machinery, equipment

SWITZERLAND—Battery operated fork lift trucks, 0.5-1 ton capacity. Direct purchase and agency. Sury AG (importer, distributor), Bernstrasse 124, 3052 Zollikofen. WTD 10/67.

354 Metalworking machinery

GERMANY—Pneumatic and/or hydraulic machine tools, attachments, as well as machine tool accessories. Direct purchase and agency. Dunkes Maschinenbau (manufacturer, exporter), 7312 Kirchheim/Teck, Faberweg 7. WTD 10/68.

355 Special industry machinery

BRAZIL—Fruit dehydrating equipment. Bahia Frutos S.A. (manufacturer), Av. Estados Unidos, 4 salas 803/5 Edificio Visconde de Cayru Salvador Estado da Bahia. WTD in preparation.

HONDURAS—One left-hand resaw, used; one line bar, used. Compania Promotora de Aserraderos, S. de R. L. (Pedro Casanova e Hijos, S. de R. L.) (sawmill), Edificio Quinchon Leon, Tegucigalpa, D. C. WTD 3/67.

SOUTH AFRICA—Brick-making machinery capable of producing 20,000 normal house-building bricks from good quality clay per day. Requests quotations c.i.f. Port Elizabeth, Cape Province. M. J. Smith Chandler (Pty.) Ltd. (manufacturer), P.O. Box 51, Claremont, Cape Province. WTD 12/67.

SWEDEN—Pulp and paper industries machinery. Direct purchase, agency, and/or licensing arrangement. Maskin AB N.A. Eie (manufacturer, importer, engineers), 370 Skebokvarnsvagen, S-124 36 Bandhagen. WTD 10/68.

SWITZERLAND—Machinery, equipment for food, chemical industries. Direct purchase and agency. Technosa SA (importer, distributor), Chemin du Cap 3, 1006 Lausanne. WTD 1/68.

357 Office, computing, accounting machines

SWEDEN—Office machines, accessories. Agency and direct purchase. Hadar Schmidt i Malmo AB (retailer, wholesaler, agent), Stortorget 29, S-211 34 Malmo. WTD 11/68.

358 Service industry machines

SWEDEN—Ice making machinery for restaurants. Agency and direct purchase. Frigal AB (agent), Kungsgatan 38, S-441 00 Alingsas. WTD 5/68.

Industrial and municipal sewage purification equipment. Direct purchase, agency and/or licensing arrangements. Maskin AB N.A. Eie (manufacturer, importer, engineers), 370 Skebokvarnsvagen, S-124 36 Bandhagen. WTD 10/68.

SWITZERLAND—Industrial steam cleaning machinery, equipment; small size for maintenance of tanks, engines, degreasing. Direct purchase and agency. Sury AG (importer, distributor), Bernstrasse 124, 3052 Zollikofen. WTD 10/67.

361 Electric transmission, distribution equipment

● **ARGENTINA**—(350 Argentine pesos = $1). Supply of 45,000 single-phase AC electricity meters and 350 three-phase meters. Tender No. 2888, bid deadline Dec. 6. Copies of tender conditions and complete technical specifications are available at 5,000 Argentine pesos per set from SEGBA, Balcarce 184, Room 443, Buenos Aires.

● Supply of 32 moving coil recording voltmeters for 220 and 110 volts. Tender No. 2904, bid deadline Dec. 13. Copies of tender conditions and complete technical specifications are available at 5,000 Argentine pesos per set from SEGBA, Balcarce 184, Room 443, Buenos Aires.

365 Radio, television receiving sets

MALAWI—Phonographs, radios, transistor, portable, one and two wave bands; tape recorders, stereo, with tapes and equipment for 220 volt, 50 cycle. Illustrated catalogs with prices in £ sterling requested. Ramji Purshotam (wholesaler, retailer), P.O. Box 24, Lilongwe. WTD 10/68.

366 Communications equipment

● **IRAN**—Supply of 50 magnetic field telephone sets and associated equipment. Tender No. 1137 and 1139/47, bid deadline Dec. 22. Iranian State Railways, Purchasing Department, Tehran.★ (Telephone: 202-967-4822).

SWITZERLAND — Communication equipment; radar, military electronics. Direct purchase and agency. Tig Bicord AG (importer, distributor), Fridbach 2, 6301 Zug. WTD in preparation.

● **URUGUAY**—Supply of microwave equipment, including accessories, parts and antenna. Tender No. 6154/68, bid deadline Dec. 12. Administracion General de las Usinas Electricas y los Telefonos del Estado (UTE), Seccion Licitaciones, Calle Paraguay 2431, P.-8, Montevideo. Bidders must be represented in Uruguay. Copy of specifications and conditions available in Spanish.★ (Telephone: 202-967-4822).

371 Motor vehicles, motor vehicle equipment

BRAZIL—Automobile parts, accessories. Direct purchase and agency. Arizona Auto Pecas Ltda. (importer, distributor), Rua Washington Luiz, 3 loja 2, Rio de Janeiro ZC-86 GB. WTD 9/68.

SWEDEN—Street sweeping machines, garbage collection trucks, de-frosting machines, snow-slinging equipment. Direct purchase and agency. Imak, Skandinaviska Monteringskranar AB (manufacturer, agent, exporter), 74 Infanterigatan, S-723 47 Vasteras. WTD 10/68.

374 Railroad equipment

● **MOZAMBIQUE**—The due date for submitting bids on the supply of 340 freight train cars has been extended from 2 p.m., Nov. 8, to 9 a.m. Nov. 30.

384 Surgical, medical, dental instruments

● **ETHIOPIA**—Supply of protective clothing and equipment for firemen including asbestos suits and gloves, boots; helmets; hoods; raincoats; and other related items. Bid deadline Dec. 12.

Civil Aviation Administration c/o Imperial Ethiopian Government, Department of Auditor General, P.O. Box 457, Addis Ababa.

Specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230.★ (Telephone: 202-967-2939).

SWEDEN—New line of dental equipment, supplies. Direct purchase and agency. Gumaelius Maskinaffar AB (sales agent, importer), 5054 Box, S-102 42 Stockholm 5. WTD in preparation.

386 Photographic equipment, supplies

BRAZIL—Sound motion picture cameras, projectors; amateurs' 8, super 8 sound cameras. Direct purchase and agency. Arizona Auto Pecas Ltda. (importer, distributor), Rua Washington Luiz, 3 loja 2, Rio de Janeiro ZC-86 GB. WTD 9/68.

Paper for photocopy, thermocopy. Lice S.A. Importacao e Exportacao (importer, wholesaler), Rua da Quitanda, 3 7° andar salas 702/3 Rio de Janeiro ZC-00 GB. WTD 5/68.

394 Toys, sporting goods

FRANCE—Playground equipment, accessories, primarily glider-rider ponies, rams, seahorses, other types of kindergarten animals (cast aluminum, fibrous glass, or plastic), fancy and new imaginative articles in various colors; family and children trampolines. Descriptive literature, price lists requested. Requests replies in French. Gallice et Swiatek (dealer, manufacturer), 1 Rue de Grassi; 33 Bordeaux, Gironde. WTD in preparation.

396 Costume jewelry, novelties

NETHERLANDS—Hair curlers, hair clips. Direct purchase and agency. Mesy (sales agent), 10 Cornelis ten Hopestraat, Midden Beemster. WTD 6/67.

399 Manufacturing industries

SWEDEN—Florists' novelties. AB Fredrik Gedin (manufacturer, importer, wholesaler), Rosenbergsgatan 11, S-252 54 Halsingborg. WTD 10/68.

593 Second hand stores

PAKISTAN—Used clothing. Amin Trading Corp. (importer), 14 Nadir House, McLeod Road, Karachi. WTD 6/68.

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

Information and advice is available from these offices on: foreign markets for U.S. products and services, economic facts on foreign countries, firms with marketing facilities in foreign countries, trade and investment opportunities abroad, Government financing aid to exporters, foreign exchange regulations and procedures, export and import statistics.

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Area Code 505 Tel. 247-2386.

ANCHORAGE, ALASKA, 99501, 306 Loussac-Sogn Bldg. Area Code 907 Tel. 272-6331.

ATLANTA, GA., 30303, 4th Floor Home Savings Bldg., 75 Forsyth St. N.W. Area Code 404 Tel. 526-6000.

BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301 Tel. 962-3560.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 S. 20th St. Area Code 205 Tel. 325-3327.

BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617 Tel. 223-2312.

BUFFALO, N.Y., 14203, 504 Federal Bldg., 117 Ellicott St. Area Code 716 Tel. 842-3208.

CHARLESTON, S.C., 29403, Federal Bldg., Suite 631, 334 Meeting St. Area Code 803 Tel. 577-4171.

CHARLESTON, W. VA., 25301, 3002 New Federal Office Bldg., 500 Quarrier St. Area Code 304 Tel. 343-6196.

CHEYENNE, WYO., 82001, 6022 Federal Bldg., 2120 Capitol Ave. Code 307 Tel. 634-5920.

CHICAGO, ILL., 60604, 1486 New Federal Bldg., 219 South Dearborn St. Area Code 312 Tel. 353-4400.

CINCINNATI, OHIO, 45202, 8028 Federal Office Bldg., 550 Main St. Area Code 513 Tel. 684-2944.

CLEVELAND, OHIO, 44114, Room 600, 666 Euclid Ave. Area Code 216 Tel. 522-4750.

DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Area Code 214 Tel. 749-3287.

DENVER, COLO., 80202, 16419 Federal Bldg., 20th and Stout Sts. Area Code 303 Tel. 297-3246.

DES MOINES, IOWA, 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515 Tel. 284-4222.

DETROIT, MICH., 48226, 445 Federal Bldg. Area Code 313 Tel. 226-6088.

GREENSBORO, N.C., 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919 Tel. 275-9111.

HARTFORD, CONN., 06103, 18 Asylum St. Area Code 203 Tel. 244-3530.

HONOLULU, HAWAII, 96813, 286 Alexander Young Bldg., 1015 Bishop St. Tel. 588-977.

HOUSTON, TEX., 77002, 5102 Federal Bldg., 515 Rusk Ave. Area Code 713 Tel. 228-0611.

JACKSONVILLE, FLA., 32202, P.O. Box 35087, 400 W. Bay St. Area Code 904 Tel. 791-2796.

KANSAS CITY, MO., 64106, Room 2011, 911 Walnut St. Area Code 816 Tel. 374-3141.

LOS ANGELES, CALIF., 90015, Room 450, Western Pacific Bldg., 1031 S. Broadway. Area Code 213 Tel. 688-2833.

MEMPHIS, TENN., 38103, 710 Home Federal Bldg., 147 Jefferson Ave. Area Code 901 Tel. 534-3214.

MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305 Tel. 350-5267.

MILWAUKEE, WIS., 53203, Straus Bldg., 238 W. Wisconsin Ave. Area Code 414 Tel. 272-8600.

MINNEAPOLIS, MINN., 55401, 306 Federal Bldg., 110 S. Fourth St. Area Code 612 Tel. 334-2131.

NEW ORLEANS, LA., 70130, 909 Federal Office Bldg., S., 610 South St. Area Code 504 Tel. 527-6546.

NEW YORK, N.Y., 10007, 41st Floor, Federal Office Bldg., 26 Federal Plaza, Foley Sq. Area Code 212 Tel. 264-0634.

PHILADELPHIA, PA., 19107, Jefferson Bldg., 1015 Chestnut St. Area Code 215 Tel. 597-2850.

PHOENIX, ARIZ., 85025, 5413 New Federal Bldg., 230 N. First Ave. Area Code 602 Tel. 261-3285.

PITTSBURGH, PA., 15222, 2201 Federal Bldg., 1000 Liberty Ave. Area Code 412 Tel. 644-2850.

PORTLAND, OREG., 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503 Tel. 226-3361.

RENO, NEV., 89502, 2028 Federal Bldg., 300 Booth St. Area Code 702 Tel. 784-5203.

RICHMOND, VA., 23240, 2105 Federal Bldg., 400 N. 8th St. Area Code 703 Tel. 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Bldg., 1520 Market St. Area Code 314 Tel. 622-4243.

SALT LAKE CITY, UTAH, 84111, 3235 Federal Bldg., 125 S. State St. Area Code 801 Tel. 524-5116.

SAN FRANCISCO, CALIF., 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave. Area Code 415 Tel. 556-5864.

SAN JUAN P.R., 00902, Room 100, Post Office Bldg. Phone 723-4640.

SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Area Code 912 Tel. 232-4321.

SEATTLE, WASH., 98104, 8021 Federal Office Bldg., 909 First Ave. Area Code 206 Tel. 583-5615.

Mexico issues notice to construction bidders

The Government of Mexico invites companies in countries which are members of the International Bank for Reconstruction and Development to register before Dec. 10, in order to bid on the construction of the proposed 1,107 kilometers (approx. 1,768 miles) of highway at an estimated cost of $24.5 million.

The project will be divided among eleven international biddings and is to be effected during the years 1969, 1970 and 1971.

Information on how the bidding is to be conducted may be obtained through an agent in Mexico or by writing directly to C. Secretario de Obras Publicas, Boulevard Xola y Ave. Universidad, Mexico 12, D.F., Mexico.

One set of tender documents (in Spanish) on the second announcement of the eleven international biddings is available for office review only in Room 4813, U.S. Department of Commerce, Washington, D.C.★ Telephone: 202-967-3602.

Ecuador invites bids on dam construction

The Center for the Rehabilitation of Manabi Province, an autonomous government agency in Ecuador, is calling for international bids on the construction of the Poza Honda Dam over the Portoviejo River in Manabi Province.

Bid deadline is Dec. 18.

Sets of tender documents are available for a non-refundable 3,000 sucres (23 sucres=$1) from either of the following addresses: Centro de Rehabilitacion de Manabi, Comision Especial de Poza Honda, Portoviejo, Manabi, Ecuador or Connorcio de Ingenieros Consultores Holfelder/Rhein-Rhur, 156 Hansjakobstr., 78 Freiburg, Germany.

Copies of a report on the project are available from the Construction and Building Materials Division, BDSA-645, U.S. Department of Commerce, Washington, D.C. 20230.★ Telephone: 202-967-3602.

Libya calls for bids to build airport road

The Government of Libya seeks bids on the Tripoli Idris Airport Road Project (Tender No. 1118).

The budget for this project is estimated at 2.5 million Libyan pounds (approx. $5.6 million). Bid deadline is Feb. 10.

Tender must be accompanied by a preliminary guarantee of 50,000 Libyan pounds.

Interested companies registered at the Ministry of Public Works as international or of the first class may withdraw the conditions, specifications and drawings of the project from the Roads Department of the Ministry of Communications in Tripoli or Benghazi, for 100 Libyan pounds, unreturnable.

Sales Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

208 Beverage industries

CANADA—Canning operations for soft drink producers; custom canning if desired. Able to fill, seal, case 460 cans per minute or 1,150 cases of 24 cans each per hour. Browning Harvey Ltd. (bottlers), Rope Walk Lane, St. John's, Newfoundland. WTD in preparation.

229 Miscellaneous textile goods

NETHERLANDS—Paper based products for hospitals, other medical institutions, such as paper coats, aprons, towels. Agency for Common Market. N.V. Stoom- & Chemische Wasserij Nico Nijman (importer, distributor, exporter), 1-9 Stadhouderslaan, or P.O. Box 104, Schiedam. Attn. Mr. R. de Heer, Mgr. WTD 10/68.

273 Books

SPAIN—Books, technical, scientific, professional. Exclusive agency. Libreria J. Diaz de Santos (importer, wholesaler, retailer), Lagasca 95, Madrid (6). WTD 10/68.

281 Industrial chemicals

NETHERLANDS—Chemical raw and semi-finished materials for paint, rubber, plastics, food industries. Representations for Benelux countries requested. H. L. Barentz Chemische Grondstoffen N.V. (importer, agent), 21 Kleine Gartmanplantsoen, Amsterdam. WTD 10/68.

Chemicals, all kinds. Exclusive agencies. Totte & Cie N.V. (importer, distributor, agent, exporter), 84-85 Aelbrechtskade, or P.O. Box 1109, Rotterdam. Attn. Mr. J. P. G. Jansen, Mgr. WTD 11/68.

283 Drugs

AUSTRALIA—Pharmaceuticals. Requests descriptive details, specifications quoting selling items with commission whether f.o.b. port U.S. or c.i.f. port of Fremantle. Kata Chemical Co. (import-export agents), 32 Ord St., West Perth, Western Australia 6005. WTD in preparation.

NETHERLANDS—Pharmaceuticals, pharmaceutical specialties, all kinds. Exclusive agencies. Totte & Cie N.V. (importer, distributor, agent, exporter), 84-85 Aelbrechtskade, or P.O. Box 1109, Rotterdam. Attn. Mr. J. P. G. Jansen, Mgr. WTD 11/68.

289 Chemical products

NETHERLANDS—Chemical specialties, all kinds; di-acetyl tartaric acid esters, polyglycerol fatty acid esters for bread improving and baking powders. Exclusive agencies. Totte & Cie N.V. (importer, distributor, agent, exporter), 84-85 Aelbrechtskade, or P.O. Box 1109, Rotterdam. Attn. Mr. J. P. G. Jansen, Mgr. WTD 11/68.

329 Abrasive, asbestos, nonmetallic mineral products

SWITZERLAND—Abrasive powders made of steel, glass, bronze, titanium, aluminous, chrome; polishing pastes made of these materials. Centre d'information d'entreprises (agent), Attn: Mr. Andre Gros, Avenue Vinet 25, 1004 Lausanne. WTD in preparation.

331 Steel mill products

HONDURAS—Galvanized sheets, cal. 24, to manufacture ducts for air conditioning systems. Imporma, S. DE R. L. (manufacturers' representative), Carretera a Toncontin, Comayaguela, D. C. WTD 2/68.

NETHERLANDS—Stainless steel, high grade materials in sheets, strips, bars, wires, tubes. Exclusive sales representation for Netherlands. Staal-IJzer N.V. (importer, sales agent), 146 Vondelstraat, Amsterdam. WTD 10/68.

349 Fabricated metal products

VENEZUELA—Wheels, casters, for industrial use (carts, trailers, wheelbarrows, strollers, excluding railroad automotive). Sales agency for entire country. Ruhando, S.R.L. (sales agency), Quinta Pipina, Avenida Honduras, Urbanizacion Las Acacias, Caracas. WTD 2/68.

352 Farm machinery

VENEZUELA—Lawn mowers and grass cutters, power-driven, hand operated. Sales agency for entire country. Ruhando, S.R.L. (sales agency), Quinta Pipina, Avenida Honduras, Urbanizacion Las Acacias, Caracas. WTD 2/68.

353 Construction, mining, materials handling machinery, equipment

VENEZUELA—High-pressure hydraulic circuits, accessories (tubing, couplings, valves), for construction machinery, tractors. Sales agency for entire country. Ruhando, S.R.L. (sales agency), Quinto Pipina, Avenida Honduras, Urbanizacion Las Acacias, Caracas. WTD 2/68.

356 General industrial machinery

GERMANY—Parts, attachments, components for industrial furnaces, ovens, laboratory furnaces, heat treating ovens. Exclusive representation. Requests price quotations c.i.f. Hamburg or Bremen. Linn, Industrieofenbau KG (manufacturer, distributor), Ostbahnstrasse 116, 8562 Hersbruck. WTD 10/68.

HONDURAS—Water pumps for wells 100/200 feet deep. Exclusive representation. Imporma, S. DE R. L. (manufacturers' representative), Carretera a Toncontin, Comayaguela, D. C. WTD 2/68.

357 Office machines

CANADA—Electronic office equipment, computing, data processing, addressing, dictating, duplicating machines, cash registers, computer peripherals. LMC Data of Canada Ltd. (importer, lessor), Box 116, Station H, Montreal, Quebec. WTD in preparation.

361 Electric transmission, distribution equipment

SWITZERLAND—Electronic measuring ap-

paratus, switchboards and panels, luminous circuit diagrams transformers. Dumaco AG (agent), Attn: Mr. G. Manta, Elfenaustrasse 3, 2500 Bienne. WTD 1/68.

NETHERLANDS — Electronic instruments such as measuring equipment, digital computing equipment, signal generators. Distributorship for Benelux countries. Rodelco N.V. (importing distributor), 44 Koninginnegracht, The Hague. Attn: Mr. J. van Os. WTD 5/68.

362 Electrical industrial apparatus

SWITZERLAND—Electronic industrial process control equipment for watch, other precision industries; rectifiers, servo motors, synchronous motors; feeding devices for watch industry; linear or vibrating feeders; transfer devices, positioning controls. Dumaco AG (agent), Attn: Mr. G. Manta, Elfenaustrasse 3, 2500 Bienne. WTD 1/68.

VENEZUELA—Arc welding equipment; automotive battery chargers, 110 V. Sales agency for entire country. Ruhando, S.R.L. (sales agency), Quinta Pipina, Avenida Honduras, Urbanizacion Las Acacias, Caracas. WTD 2/68.

367 Electronic components, accessories

NETHERLANDS — Electronic components such as capacitors (mylar, aluminum, paper, electrolytic), fractional horsepower motors, switches (pushbutton, keyboard, rotary), stabilized power supplies, mercury cells, nickel cadmium batteries. Distributorship for Benelux countries. Rodelco N.V. (importing distributor), 44 Koninginnegracht, The Hague. Attn: Mr. J. van Os. WTD 5/68.

369 Electrical machinery, equipment, supplies

AUSTRALIA—Medical equipment for treatment, diagnosis of cardiac diseases such as D.C. defibulators, cardiac monitors, ratemeters with adjustable limit alarms, automatic recorders. Medical Equipment Services Pty. Ltd. (manufacturer, importer), 196-198 Church St., Richmond, Victoria 3121. WTD 10/68.

SWITZERLAND—Batteries, storage batteries; automatic storage battery charging sets. Dumaco AG (agent), Attn: Mr. G. Manta, Elfenaustrasse 3, 2500 Bienne. WTD 1/68.

384 Surgical, medical, dental instruments

NETHERLANDS—Ophthalmic instruments, apparatus. Exclusive representation for Netherlands. Octavo N.V. (importing distributor), 41 De Meent, Odijk (Utrecht). WTD 10/68.

385 Ophthalmic goods

NETHERLANDS—All types of ophthalmic goods for sale to opticians. Exclusive distributorship for Netherlands. Octavo N.V. (importing distributor), 41 De Meent, Odijk (Utrecht). WTD 10/68.

Argentina extends bid deadline

Firms interested in bidding on the construction of a dam and aquaduct in Argentina (see INTERNATIONAL COMMERCE, Sept. 23, p. 39), are hereby notified that the bid deadline has been changed from Oct. 30 to Dec. 18.

Visiting Buyers and Officials

AUSTRALIA—William Henry Homer, William H. Homer Pty. Ltd., 31 Cunningham St., Sydney 2000, **interested in technical knowledge of latest printing methods and plant printing craftsmen's clubs, American graphic arts machinery, printing processes, fine papers, commercial printing.** Nov. 28 via Boston for two months. c/o Mrs. H. Nevius, Box 125, North Falmouth, Mass. 02556.

Itinerary: 12/2-4 Chicago, 12/5-7 Emporia, Kansas, 12/7-9 Cincinnati, 12/10 Erie, Pa., 12/11 Detroit, last week Dec. New York, 12/12-1/17 Boston. WTD 9/68.

JAPAN—Taichiro Morita, Manager, Tokyo Office, Daisen Sangyo Co., Ltd., Marunouchi Bldg., 2 Marunouchi 2-chome, Chiyoda-ku, Tokyo, and Akira Ikeda, Chief, Pig Iron Section of this firm, **interested in visiting iron foundries to exchange information and to study future trade and licensing opportunities.** Nov. 17 via San Francisco for two weeks. c/o Roy Kawaguchi, Kawaguchi Tour Services, P.O. Box 20363, Los Angeles, Calif. 90006, telephone 213-388-9371.

Itinerary: San Francisco, Los Angeles, Honolulu. WTD in preparation.

Brazil opens registration for construction projects

The National Department of Highways, an agency of the Brazilian Ministry of Transportation, has published a tender for the selection of highway construction contractors who will subsequently be invited to bid on a number of highway projects.

Work to be executed consists of earth moving, grading, paving, construction of bridges and related masonry work on new or existing highways in the States of Minas Gerais, Parana, Santa Catarina and Rio Grande do Sul. Part of the costs will be covered by a loan which Brazil is negotiating with the World Bank.

Prequalification registration deadline is Dec. 2.

One copy of the specifications and documentary requirements for prequalification of bidders is available for loan and one copy is available for office review from the Construction and Building Materials Division, BDSA-645, U.S. Department of Commerce, Washington, D.C. 20230.★ Telephone: 202-967-3602.

Hydroelectric project planned for Ivory Coast

The Republic of the Ivory Coast will require steel tunnel liners, turbines, governors, cranes, gates and hoists, hatch covers, generators, transformers, transmission lines, substations and related items for the Kossou Hydroelectric Development and Transmission System on the Bandama River.

Suppliers who desire to be included in the list of qualified tenderers should apply no later than Dec. 7 for a brief description of the work and data sheets for pre-qualification to: Bandama River Project, c/o Kaiser Engineers and Constructors, Inc., Kaiser Center, 300 Lakeside Drive, Room 1829, Attn: Earl G. Peacock, Oakland, Calif. 94604, U.S.A.

Request for pre-qualification data sheets should include the name, title and full address, telephone and telex number of the person to whom future correspondence should be directed.

Copies of the pre-qualification announcement are available from the Power and Electrical Equipment Division, Room 4124, BDSA-651, U.S. Department of Commerce, Washington, D.C. 20230.★ (Telephone: 202-967-4241).

Leads for Importers

Commodities are offered direct unless specified

012 Fruit, tree nut, vegetable farms

MOROCCO—Fenugreek, alpist, canary-seed, dried roses, orris-root. Samples, prices available upon request. I. R. Benarrosh (exporter), 6, Rue Abdelkrim Diouri, Casablanca. WTD 10/68.

203 Canning, preserving foods

MOROCCO—Chick peas, lentils, broad beans. Samples, prices available upon request. I. R. Benarrosh (exporter), 6, Rue Abdelkrim Diouri, Casablanca. WTD 10/68.

209 Food preparations

PAKISTAN—Dried whole red chillies. Amin Trading Corp. (exporter), 14 Nadir House, McLeod Road, Karachi. WTD 6/68.

242 Sawmills, planing mills

ZAMBIA—Hardwood timber "Baikiaea Plurijuga" known also as Mukushi, Zambesi or Rhodesian teak or redwood, suitable for parquet block flooring, high quality panelling, furniture. Company would be willing to enter into long-term contracts; orders can be serviced within one calendar month. Zambesi Saw Mills (1968) Ltd., P.O. Box 41, Livingstone. WTD 10/68.

The above firm is a subsidiary of INDECO to whom a copy of correspondence should be sent: Industrial Development Corporation of Zambia, P.O. Box 1935, Lusaka, Zambia.

306 Fabricated rubber products

YUGOSLAVIA—Rubber products: soles and heels, sheets, inner soles, household gloves, surgical gloves, surgical fingers, eye droppers, technical gloves, technical fingers, safety goggles, electrical gloves, underwater masks and fins, bathing caps, mattresses, seats, mats, profiles, rubber-coated textiles. "RIS" Industrija Gumenih Proizvoda (manufacturer), Stenjevac, Bolnicka 40, Zagreb. WTD under preparation.

New Books and Reports

***Overseas Business Reports.* U.S. Department of Commerce. Washington, D.C. 1968. $16 per year. ($5 additional for overseas mailing), 15 cents per copy.**

Basic Data on the Economy of Denmark. OBR 68-84. 18pp. The following information is included: geography, population, government, structure of the economy, agriculture, manufacturing, transportation, labor force, finance, foreign trade, and the outlook for the Danish economy.

Basic Data on the Economy of Nepal. OBR 68-86. 8pp. Information similar to that contained in the report on Denmark is included for Nepal.

Establishing a Business in Lebanon. OBR 68-87. 14pp. Investment climate, legislation governing investment, business organization, industrial property protection, employment, taxation, availability of capital, basic economic facilities, and investment information services are the topics covered for the potential businessman.

Basic Data on the Economy of Cyprus. OBR 68-91. 9pp. Information on geography, population, government, agriculture, manufacturing, finance and foreign trade is included.

The Food Processing Industry in Taiwan. OBR 68-93. 11pp. Several tables are presented, covering indexes of production for foodstuffs, beverages and tobacco products; foreign trade in these products; and livestock numbers and slaughterings.

Write: any Department of Commerce Field Office or Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

***The Open Economy: Essays on International Trade and Finance.* Edited by Peter B. Kenen and Roger Lawrence. Published by Columbia University Press. New York. 1968. 391pp. $12.50.**

The essays in this volume are concerned with three major subjects: the chief determinants of merchandise trade patterns; relationships between the structure of foreign trade, economic growth, and factor movements; and international financial policies and the international monetary system.

Specific topics covered are the influence of labor skills—or human capital—on various aspects of the international economy, trade and productivity, and the balance of payments problems of a developing country.

Write: Columbia University Press, 440 West 110th St., New York, N.Y. 10025.

Commerce Business Daily contains latest bid data

The *Commerce Business Daily*, published Monday through Friday by Commerce's Office of Field Services, contains a synopsis of proposed U.S. Government procurement and sales, and of contract awards. This information is of interest to firms that may want to bid on U.S. Government purchases or surplus property offered for sale, or in seeking subcontracting opportunities from prime contractors.

Commerce Business Daily contains current information received daily from military and civilian procurement offices, and announces overseas business opportunities.

Annual subscription is $15, $67 for airmail. It may be ordered from: Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

***Chemical Guide to Europe.* Published by Noyes Development Corp. Park Ridge, N.J. 1968. 207pp. $20.**

This fourth edition describes approximately 1,000 chemical firms in 18 countries of Western Europe.

In general, the following information is included for each firm: name and address, ownership, plant locations and products, local subsidiaries and affiliates, foreign subsidiaries and affiliates, principal executives, latest annual sales, and number of employees.

All major European chemical firms are included in this guide. In the cases of medium-sized firms, decision on whether to include them was based on size or plant and type of product.

Write: Noyes Development Corp., Noyes Bldg., Park Ridge, N.J. 07656

***Consolidated Tabulation—Shipments of Selected Electronic Components for Calendar Years 1960-1967.* Published by the Department of Commerce. Washington, D.C. 1968. 25 cents.**

Growth in the electronics industry is detailed in tabular form in a one-volume consolidation of annual reports of shipments of selected electronic components prepared by the Commerce Department's Business and Defense Services Administration.

The tabulation shows that total annual shipments of the selected components increased in six of the eight years covered (1960-67). Total shipments doubled, from $2.49 billion to $4.98 billion, during this period.

Write: Sales and Distribution, Room 2119, U.S. Department of Commerce, Washington, D.C. 20230, or any Commerce Department Field Office.

***Rydge's Year Book, 1968.* Published by Rydge's Business Journal Pty. Ltd. Sydney, Australia. 309pp. $17.50.**

Companies on the Stock Exchanges of Australia and New Zealand, including all mining and oil companies, are listed alphabetically in this directory. Several hundred important proprietary companies are listed, and a Directory of Directors lists directors of companies mentioned.

There is also a brief discussion of the Australian economy for 1968.

Write: Tri-Ocean Books, 62 Townsend St., San Francisco, Calif. 94107.

***Terminal Facilities at United States and Canadian Ports.* Traffic World, Vol. 135, Sept. 14, 1968, pp. 87-111. Washington, D.C. $1.**

This directory of terminal facilities at U.S. and Canadian ports was developed from questionnaires sent by *Traffic World* to virtually all ports in the United States and Canada.

It provides a brief digest of available facilities at coastal and inland ports, and includes sources from which additional rate and facility information relative to specific ports may be obtained.

Write: Traffic World, Washington Bldg., Washington, D.C. 20005.

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Calendar *for international traders*

ALLENTOWN, Pa.—Dec. 4—Monthly meeting of the World Trade Club of the Lehigh Valley, Holiday Inn East, 6 p.m.

ATLANTA—Dec. 5—In-Office Export Conference, Commerce Field Office, 10 a.m.

ATLANTA—Dec. 19—In-Office Export Conference, Commerce Field Office, 10 a.m.

CHICAGO—Dec. 4—In-Office Meeting, Chicago Field Office.

CHICAGO—Dec. 10—Automotive Exporters' Club of Chicago, Builders Bldg.

CHICAGO—Dec. 10-11—"The Export Game—Anyone Can Play," Furniture Club. Sponsor: Chicago Assn. of Commerce & Industry.

CHICAGO—Dec. 12—International Trade Club luncheon meeting, LaSalle Hotel, 12:15 p.m.

CHICAGO—Dec. 12—East-West Trade Seminar, LaSalle Hotel, 2:15 p.m. Sponsor: International Trade Club of Chicago.

CINCINNATI—Dec. 4—Fifth of 7 weekly lectures in Export Workshop Course, "Organizing for Export—Pricing and Handling Your Own Order," Rm. 233, University Center, U. of Cincinnati, 7-9:30 p.m. Sponsors: U. of Cincinnati, Commerce Field Office, REEC, World Trade Club of Cincinnati.

CINCINNATI—Dec. 11—Sixth of 7 weekly lectures in Export Workshop Course, "Transportation, Insurance and Packaging," Rm. 233, University Center, U. of Cincinnati, 7-9:30 p.m. Sponsors: U. of Cincinnati, Commerce Field Office, REEC, World Trade Club of Cincinnati.

CLEVELAND—Dec. 5—International Trade Luncheon Meeting, American Room, Mid-Day Club, Union Commerce Bldg., 12 noon. Sponsor: Cleveland World Trade Assn.

CLEVELAND—Jan. 2—International Trade Luncheon Meeting, American Room, Mid-Day Club, Union Commerce Bldg., 12 noon. Sponsor: Cleveland World Trade Assn.

Calendar deadline

Information for publication must be received three weeks before the date of the announced event. Include time, place, sponsoring organization and special topic, if applicable. Meetings must be open to the public in order to be publicized in this space. **Write:**

Managing Editor,

International Commerce

BIC-204

U.S. Department of Commerce

Washington, D.C. 20230.

KANSAS CITY—Dec. 12—In-Office Workshop for Exporters, Federal Office Bldg., 2-4 p.m. Sponsors: Commerce Field Office, REEC.

LITTLE ROCK, Ark.—Dec. 3—Export Workshop, Chamber of Commerce. Sponsors: Commerce Memphis Field Office, REEC, Chamber of Commerce.

LOS ANGELES—Dec. 18—Export Expansion Seminar, Commerce Field Office, 9:30 a.m.

MEMPHIS—Dec. 11—Export Forum on the Kennedy Round, Sheraton-Peabody Hotel. Speaker: **Allen Garland, director, Trade & Commercial Policy Div., Commerce Dept.** Sponsors: Commerce Field Office, Mid-South Exporters' Roundtable.

MEMPHIS—Dec. 17—Memphis World Trade Club, Sheraton Motor Inn.

NEW YORK—Dec. 17—International Executives Assn. luncheon, Hotel Statler Hilton.

N. LITTLE ROCK, Ark.—Dec. 3—Export Workshop, Chamber of Commerce. Sponsors: Commerce Field Office, REEC, Chamber of Commerce.

READING, Pa.—Dec. 11—Monthly meeting of the Reading Foreign Traders Assn., Abraham Lincoln Hotel, 6 p.m.

ROCHELLE PARK, N.J.—Dec. 4—World Trade Promotion Seminar, The Chalet, Passaic St., 9:30 a.m.-1:30 p.m. Sponsors: Commerce Field Office; TWA; State of N.J., Bureau of International Operations; Bergen County Chamber of Commerce.

TRENTON—Dec. 6—Monthly meeting of the Delaware Valley International Trade Assn., 12:15 p.m., Don Young's Restaurant.

WALLINGFORD, Conn.—Dec. 3—Combination Export Managers Assn. of Conn./Manufacturers Assn. of Conn. luncheon meeting, Yankee Silversmith Inn; 11:15 a.m., reception, 12 noon, luncheon. Speaker: **Malcolm Lawrence, Joint Export Assn. Project Officer, Dept. of Commerce.**

WILLIAMSPORT, Pa.—Dec. 12—Monthly meeting of the Pennsylvania World Trade Assn., North Central Area, Holiday Inn, dinner at 6:30 p.m.

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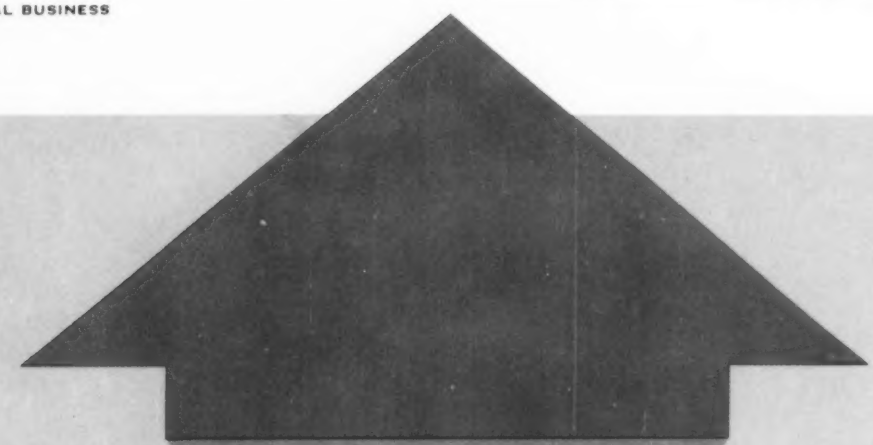

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